



EUROPEAN PARLIAMENT

2009 - 2014

Committee on Regional Development

27.11.2012

MANDATE¹ for opening inter-institutional negotiations adopted by the Committee on Regional Development at its meeting on 11 July and 27 November 2012²

on the proposal for a regulation of the European Parliament and of the Council 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 covered by the Common Strategic Framework and laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund and repealing Regulation (EC) No 1083/2006
(COM(2011)0615 – C7-0335/2011 – 2011/0276(COD))

Committee on Regional Development

Rapporteur: Lambert van Nistelrooij, Constanze Angela Krehl

¹ Vote on the Mandate according to Rule 70(2) of EP Rules of Procedure.

² Verification by DLA Lawyer-Linguists of the amendments voted on 27 November 2012 is pending.

Amendment 1

Proposal for a regulation

Title

Text proposed by the Commission

Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL 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 ***covered by the Common Strategic Framework*** and laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund and repealing Council Regulation (EC) No 1083/2006

Amendment

Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL 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 and the Cohesion Fund and repealing Council Regulation (EC) No 1083/2006

Amendment 2

Proposal for a regulation

Part 1 – article 1 – paragraph 1

Text proposed by the Commission

This Regulation lays down the common rules applicable to the European Regional Development Fund (ERDF), the European Social Fund (ESF), the Cohesion Fund (CF), the European Agricultural Fund for Rural Development (EAFRD) and the European Maritime and Fisheries Fund (EMFF), ***which are operating under the Common Strategic Framework*** (the '***CSF Funds***'). It also ***defines*** the provisions necessary to ensure the effectiveness of the ***CSF Funds*** and their coordination with one another and with other Union instruments.

Amendment

This Regulation lays down the common provisions applicable to the European Regional Development Fund (ERDF), the European Social Fund (ESF), the Cohesion Fund (CF), the European Agricultural Fund for Rural Development (EAFRD) and the European Maritime and Fisheries Fund (EMFF), (***hereinafter together referred to as the 'Funds covered by the CPR'***). It also ***lays down*** the provisions necessary to ensure the effectiveness of the Funds ***covered by the CPR*** and their coordination with one another and with other Union instruments.

(This amendment applies throughout the text. Adopting it will necessitate corresponding changes throughout.)

Amendment 3

Proposal for a regulation

Part 1 – article 2 – paragraph 1

Text proposed by the Commission

Amendment

For the purposes of this Regulation, the definitions on financial instruments as laid down in the Financial Regulation shall apply to financial instruments supported by the CSF Funds, except where otherwise provided in this Regulation.

deleted

Amendment 4

Proposal for a regulation

Part 1 – article 2 – paragraph 2 – introductory sentence

Text proposed by the Commission

Amendment

In addition, the following definitions shall apply:

For the purposes of this Regulation, the following definitions shall apply:

Amendment 5

Proposal for a regulation

Part 1 – article 2 – paragraph 2 – point 2

Text proposed by the Commission

Amendment

(2) 'Common Strategic Framework' means ***the document translating*** the objectives and targets of the Union strategy for smart, sustainable and inclusive growth ***into key actions for the CSF Funds, establishing for each thematic objective the key actions to be supported by each CSF Fund and*** the mechanisms for ensuring the coherence and consistency of the programming of the

(2) 'Common Strategic Framework' means ***a framework that coordinates and balances priorities, in order to achieve*** the objectives and targets of the Union strategy for smart, sustainable and inclusive growth, ***that establishes*** for each thematic objective the mechanisms for ensuring the coherence and consistency of the programming of the Funds ***covered by the CPR*** with the

CSF Funds with the economic *and* employment policies of the Member States and of the Union;

economic, employment *and sustainable development* policies of the Member States and of the Union;

Amendment 6

Proposal for a regulation

Part 1 – article 2 – paragraph 2 – point 4

Text proposed by the Commission

(4) ‘programming’ means the process of organisation, decision-making and allocation of financial resources in several stages intended to implement, on a multi-annual basis, the joint action by the Union and the Member States to achieve Union strategy for smart, sustainable and inclusive growth;

Amendment

(4) ‘programming’ means the process of organisation, decision-making and allocation of financial resources in several stages, *with the involvement of partners and in line with the multi-level governance approach under Article 5*, intended to implement, on a multi-annual basis, the joint action by the Union and the Member States to achieve *the main objectives of the* Union *through the* strategy for smart, sustainable and inclusive growth;

Amendment 7

Proposal for a regulation

Part 1 – article 2 – paragraph 2 – point 10 a (new)

Text proposed by the Commission

Amendment

(10a) "Financial instruments" means financial instruments as defined in the Financial Regulation, save where otherwise provided;

Amendment 8

Proposal for a regulation

Part 1 – article 2 – paragraph 2 – point 10 b (new)

Text proposed by the Commission

Amendment

(10b) "Fund of funds" means a fund set up with the objective of providing support from programmes to more than one body

implementing financial instruments;

Amendment 9

Proposal for a regulation

Part 1 – article 2 – paragraph 2 – point 16

Text proposed by the Commission

(16) ‘local development strategy’ means a coherent set of operations to meet local objectives and needs, which contributes to meeting the Union strategy for smart, sustainable and inclusive growth and which is implemented in partnership at the appropriate *level*;

Amendment

(16) ‘local development strategy’ means a coherent set of operations to meet local objectives and needs, which contributes to meeting the Union strategy for smart, sustainable and inclusive growth, and which is *designed and* implemented in partnership *with local action groups* at the appropriate *territorial levels*;

Amendment 9a

Proposal for a regulation

Part 1 – article 2 – paragraph 2 – point 17

Text proposed by the Commission

(17) ‘rolling closure’ means closure of operations as a result of the annual clearance of account exercise and before the general closure of the programme;

Amendment

deleted

Amendment 10

Proposal for a regulation

Part 1 – article 2 – paragraph 2 – point 22

Text proposed by the Commission

(22) ‘SME’ means a micro, small or medium sized enterprise *in the meaning of* Commission Recommendation 2003/361/EC, or subsequent amendments thereof;

Amendment

(22) ‘SME’ means a micro, small or medium sized enterprise *as defined in* Commission Recommendation 2003/361/EC, or subsequent amendments thereof;

Amendment 11

Proposal for a regulation

Part 1 – article 2 – paragraph 2 – point 24 a (new)

Text proposed by the Commission

Amendment

(24a) 'macro-region' means an integrated framework composed of territories, having one or more common features or challenges, and belonging to a number of Member States.

Amendment 12

Proposal for a regulation

Part 1 – article 2 – paragraph 2 – point 24 b (new)

Text proposed by the Commission

Amendment

(24a) 'ex ante conditionality' means a concretely and precisely pre-defined critical factor, which is a prerequisite for, has a genuine link to, and direct impact on, the effective and efficient implementation of the concrete content of investment to be financed from any of the Funds covered by the CPR.

Amendment 13

Proposal for a regulation

Part 2 – title 1 - article 4 – paragraph 1

Text proposed by the Commission

Amendment

1. The **CSF** Funds shall provide support, through multi-annual programmes, which complements national, regional and local intervention, to deliver the Union strategy for smart, sustainable and inclusive growth, taking account of the Integrated Guidelines, ***the country-specific recommendations under Article 121(2) of the Treaty and the relevant Council recommendations adopted under 148(4)***

1. The Funds ***covered by the CPR*** shall provide support, through multi-annual programmes, which complements national, regional and local intervention, to ***achieve economic, social and territorial cohesion and to*** deliver the Union strategy for smart, sustainable and inclusive growth, ***as well as to fulfil the specific missions of the Funds covered by the CPR while*** taking account of the Integrated Guidelines ***and***

of the Treaty.

National Reform Programmes.

(This amendment applies throughout the text. Adopting it will necessitate corresponding changes throughout.)

Amendment 14

Proposal for a regulation

Part 2 – title 1 - article 4 – paragraph 2

Text proposed by the Commission

2. The Commission and the Member States shall ensure that support from the **CSF** Funds is consistent with the policies and priorities of the Union and complementary to other instruments of the Union.

Amendment

2. The Commission and the Member States shall ensure that support from the Funds **covered by the CPR** is consistent with the **relevant** policies, **horizontal principles** and priorities of the Union and complementary to other instruments of the Union

Amendment 15

Proposal for a regulation

Part 2 – title 1 - article 4 – paragraph 4

Text proposed by the Commission

4. Member States and the bodies designated by them for that purpose shall be responsible for implementing programmes and carrying out their tasks under this Regulation and the Fund-specific rules **at the appropriate territorial level, in accordance with the institutional, legal and financial framework of the Member State and subject to compliance with this Regulation and the Fund-specific rules.**

Amendment

4. Member States, **at the appropriate territorial levels, in accordance with their institutional, legal and financial framework, and subject to compliance with this Regulation and the Fund-specific rules,** and the bodies designated by them for that purpose, shall be responsible for **preparing and** implementing programmes, **in partnership with relevant partners as referred to in Article 5,** and for carrying out their tasks under this Regulation and the Fund-specific rules.

Amendment 16

Proposal for a regulation

Part 2 – title 1 - article 4 – paragraph 7

Text proposed by the Commission

7. The part of the Union budget allocated to the **CSF** Funds shall be implemented within the framework of shared management between the Member States and the Commission, in accordance with Article 53(b) of the Financial Regulation, with the exception of the amount of ***the CEF transferred to the Connecting Europe Facility referred to in Article 84(4) and*** innovative actions at the initiative of the Commission under Article 9 of the ERDF Regulation, and technical assistance at the initiative of the Commission.

Amendment

7. The part of the Union budget allocated to the Funds ***covered by the CPR*** shall be implemented within the framework of shared management between the Member States and the Commission, in accordance with Article 55(b) of the Financial Regulation, with the exception of the amount of innovative actions at the initiative of the Commission under Article 9 of the ERDF Regulation, and technical assistance at the initiative of the Commission.

Amendment 17

Proposal for a regulation

Part 2 – title 1 - article 4 – paragraph 10

Text proposed by the Commission

10. The Commission and the Member States shall carry out their respective roles in relation to the **CSF** Funds with the aim of reducing the administrative burden for beneficiaries.

Amendment

10. The Commission and the Member States shall carry out their respective roles in relation to the Funds ***covered by the CPR*** with the aim of reducing the administrative burden for beneficiaries, ***for national, regional and local public authorities and bodies acting at different levels of administration as managing authorities.***

Amendment 18

Proposal for a regulation

Part 2 – title 1 - article 5 – paragraph 1

Text proposed by the Commission

1. For the Partnership Contract and each programme **respectively**, a Member State shall organise a partnership with the following partners:

(a) competent **regional, local, urban and other** public authorities;

(b) economic and social partners; **and**

(c) bodies representing civil society, including environmental partners, non-governmental organisations, and bodies responsible for promoting equality and non-discrimination.

Amendment

1. For the Partnership Contract and each programme, a Member State shall organise a partnership **by concluding a partnership agreement with the relevant regional and local authorities in accordance with Article 4(4).**

Member States and the respective regional and local authorities shall also cooperate with the following partners:

(a) competent public authorities **other than those referred to in the introductory sentence to this paragraph;**

(b) economic and social partners;

(c) **relevant** bodies representing civil society, including **inter alia** environmental partners, non-governmental organisations, **among them non-profit organisations promoting social inclusion and those active in the areas of culture, education and youth policy,** and bodies responsible for promoting **gender** equality and non-discrimination;

(ca) churches and religious communities active in the areas of transnational cooperation, education, culture and social inclusion.

Amendment 19

Proposal for a regulation

Part 2 – title 1 - article 5 – paragraph 2

Text proposed by the Commission

2. In accordance with the multi-level governance approach, the partners shall be involved by Member States in the preparation of Partnership Contracts and progress reports **and** in the preparation,

Amendment

2. In accordance with the multi-level governance approach, **and in line with the partnership agreement, as referred to in paragraph 1,** the partners shall be involved by Member States in **all stages of** the

implementation, monitoring and evaluation of programmes. The partners shall participate in the monitoring committees for programmes.

preparation of Partnership Contracts and progress reports, *as well as in all stages of* the preparation, implementation, monitoring and evaluation of programmes, *from the earliest stage possible*. The partners shall participate in the monitoring committees for programmes.

Amendment 20

Proposal for a regulation

Part 2 – title 1 - article 5 – paragraph 3

Text proposed by the Commission

3. *The Commission shall be empowered to adopt delegated acts in accordance with Article 142 to provide for a* European code of conduct *that lays* down objectives and criteria to *support* the implementation of partnership and to facilitate the sharing of information, experience, results and *good* practices among Member States.

Amendment

3. *A* European code of conduct *shall be laid down in order to set out specific* objectives and criteria to *ensure* the implementation of partnership and to facilitate the sharing of information, experience, results and *best* practices among Member States. *The Commission shall be empowered to adopt delegated acts in accordance with Article 142 to provide for this European code of conduct.*

Amendment 21

Proposal for a regulation

Part 2 – title 1 - article 5 – paragraph 3 a (new)

Text proposed by the Commission

Amendment

3a. The European Code of Conduct should outline inter alia the following specifications:

(a) minimum requirements to ensure transparent selection of partners and clarity about their role in the policy process and their responsibilities;

(b) minimum requirements and guidelines as to how to identify relevant partners, ranging from authorities of different territorial levels, social and economic

partners, civil society, science and technology organisations to bodies responsible for promoting gender equality, social inclusion and non-discrimination or that are active in the areas of culture, education and youth policy;

(c) the cooperation procedure among the competent national, regional and local authorities;

(d) guidance on how to tailor partnership to programmes, including specificities of multi-fund programmes, joint action plans and integrated territorial investments;

(e) minimum requirements for ensuring meaningful involvement of partners in the preparation of the Partnership Contract and the Programmes;

(f) minimum requirements for the procedures established to ensure effective organisation of partnerships;

(g) guidance on the involvement of partners in monitoring committees, project selection, monitoring and evaluation;

(h) minimum requirements for providing guidance to partners and on facilitating capacity building among partners;

(i) outlining the framework to exchange good practices across Member States.

Amendment 22

Proposal for a regulation

Part 2 – title 1 - article 5 – paragraph 4

Text proposed by the Commission

4. At least once a year, for each **CSF** Fund, the Commission shall consult the organisations which represent the partners at Union level on the implementation of

Amendment

4. At least once a year, for each Fund **covered by the CPR**, the Commission shall consult the organisations which represent the partners at Union level on the implementation of support from the Funds

support from the *CSF* Funds.

covered by the CPR. To this end, the Commission shall undertake an analysis of this implementation and the participation of relevant partners and stakeholders, in particular the economic and social partners.

Amendment 23

Proposal for a regulation

Part 2 – title 1 - article 7 – paragraph 1

Text proposed by the Commission

The Member States and the Commission shall ensure that equality between men and women and the integration of gender perspective *is* promoted in *the* preparation and implementation of programmes.

Amendment

The Member States and the Commission shall ensure that equality between men and women and the *coherent* integration of gender perspective *are taken into account and* promoted in *all stages of* preparation, *programming* and implementation, *as well as monitoring and evaluation of* programmes.

Amendment 24

Proposal for a regulation

Part 2 – title 1 - article 7 – paragraph 2

Text proposed by the Commission

The Member States and the Commission shall take appropriate steps to prevent any discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation during the preparation and implementation of programmes.

Amendment

The Member States and the Commission shall take appropriate steps to prevent *and eliminate* any discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation *or gender identity and to avoid segregation* during the preparation and implementation of programmes. *In particular, accessibility for disabled persons shall be taken into consideration, in the preparation, programming and implementation of* programmes.

Amendment 25

Proposal for a regulation

Part 2 – title 1 - article 8 – paragraph 1

Text proposed by the Commission

The objectives of the **CSF** Funds shall be pursued in the framework of sustainable development and the Union's promotion of the aim of protecting and improving the environment, as set out in Article 11 of the Treaty, taking into account the polluter pays principle.

Amendment

The objectives of the Funds ***covered by the CPR*** shall be pursued in the framework of sustainable development and the Union's promotion of the aim of ***preserving***, protecting and improving the environment, as set out in Article 11 ***and Article 191(1)*** of the Treaty, taking into account the polluter pays principle.

Amendment 26

Proposal for a regulation

Part 2 – title 1 - article 8 – paragraph 2

Text proposed by the Commission

The Member States and the Commission shall ensure that environmental protection requirements, resource efficiency, climate change mitigation and adaptation, disaster resilience and risk prevention and management are promoted in the preparation and implementation of Partnership Contracts and programmes. Member States shall provide information on the support for climate change objectives using the methodology adopted by the Commission. The Commission shall ***adopt*** this methodology ***by means of an implementing act. The implementing act shall be adopted in accordance with the examination procedure referred to in Article 143(3).***

Amendment

The Member States and ***the partners, as referred to in Article 5(1), as well as*** the Commission shall ensure that environmental protection requirements, resource efficiency, ***biodiversity and ecosystem protection***, climate change mitigation and adaptation, ***ecosystem-based*** disaster resilience and risk prevention and management are promoted in the preparation and implementation of Partnership Contracts and programmes. Member States shall provide information on the support for climate change ***and biodiversity*** objectives using the methodology adopted by the Commission. The Commission shall ***be empowered to adopt delegated acts, in accordance with Article 142, laying down*** this methodology.

Amendment 27

Proposal for a regulation

Part 2 – title 1 - article 8 a (new)

Text proposed by the Commission

Amendment

Article 8a

Macro-regional strategies and sea basin strategies

The Funds covered by the CPR shall contribute to macro regional strategies and sea basin strategies, where Member States and regions participate in such strategies. The Commission and the Member States concerned shall ensure coordination of the Funds covered by the CPR with such strategies at the level of the Common Strategic Framework, of Partnership Contracts and of programmes in order to ensure sufficient allocation from the Funds to the strategies.

Amendment 28

Proposal for a regulation

Part 2 – title 2 - chapter 1 - article 9

Text proposed by the Commission

Amendment

Thematic objectives

Each ***CSF Fund shall support the following thematic objectives*** in accordance with its mission in order to contribute to the Union strategy for smart, sustainable and inclusive growth:

- (1) strengthening research, technological development and innovation;
- (2) enhancing access to, and use and quality of, information and communication technologies;

Thematic objectives

Each ***of the Funds covered by the CPR***, in compliance with its mission ***to achieve economic, social and territorial cohesion, as laid down in Article 177 TFEU*** and in order to contribute to the Union strategy for smart, sustainable and inclusive growth ***shall support the following thematic objectives***:

- (1) strengthening research, technological development and innovation;
- (2) enhancing access to, and use and quality of, information and communication technologies;

(3) enhancing the competitiveness of small and medium-sized enterprises, the agricultural sector (for the EAFRD) and the fisheries and aquaculture sector (for the EMFF);

(4) supporting the shift towards a low-carbon economy in all sectors;

(5) promoting climate change adaptation, risk prevention and management;

(6) protecting the environment and promoting resource efficiency;

(7) ***promoting sustainable transport and*** removing bottlenecks in key network infrastructures;

(8) promoting employment and supporting labour mobility;

(9) promoting social inclusion and combating poverty;

(10) investing in education, skills and lifelong learning;

(11) enhancing institutional capacity and an efficient public administration.

Thematic objectives shall be translated into priorities specific to each ***CSF Fund*** and set out in the Fund-specific rules.

(3) enhancing the competitiveness of small and medium-sized enterprises, the agricultural sector (for the EAFRD) and the fisheries and aquaculture sector (for the EMFF);

(4) supporting the shift towards a low-carbon economy in all sectors ***and promoting sustainable transport***;

(5) promoting climate change adaptation, risk prevention and management;

(6) ***preserving and*** protecting the environment, and promoting resource efficiency;

(7) removing bottlenecks in key network infrastructures ***and filling in missing cross-border links***;

(8) promoting ***quality*** employment and supporting labour mobility;

(9) promoting social inclusion, combating poverty ***and discrimination***;

(10) investing in education, ***training, including vocational training***, skills and lifelong learning;

(11) enhancing institutional capacity and an efficient public administration ***and promoting capacity building of relevant partners***.

Thematic objectives shall be translated into priorities specific to each ***of the Funds covered by the CPR*** and set out in the Fund-specific rules.

Amendment 29

Proposal for a regulation

Part 2 – title 2 - chapter 1 - article 10

Text proposed by the Commission

Common Strategic Framework

Amendment

Common Strategic Framework

In order to promote the harmonious, balanced and sustainable development of the Union, ***a Common Strategic Framework shall translate*** the objectives and targets of the Union strategy for smart, sustainable and inclusive growth ***into key actions for the CSF Funds***.

In order to promote the harmonious, balanced and sustainable development of the Union, ***and in order to achieve*** the objectives and targets of the Union strategy for smart, sustainable and inclusive growth, ***a Common Strategic Framework shall coordinate and balance priorities with the thematic objectives set out in Article 9***.

Amendment 30

Proposal for a regulation

Part 2 – title 2 - chapter 1 - article 11

Text proposed by the Commission

Content

The Common Strategic Framework shall establish:

(a) for each thematic objective, the key actions to be supported by each CSF Fund;

(b) the key territorial challenges for urban, rural, coastal ***and*** fisheries areas, as well as for areas with particular territorial features referred to in Articles 174 and 349 ***of the Treaty***, to be addressed by the ***CSF*** Funds;

(c) horizontal principles and policy objectives for the implementation of the ***CSF*** Funds;

(d) priority areas for cooperation activities for each of the ***CSF*** Funds, ***where appropriate***, taking account of macro-regional and sea basin strategies;

(e) coordination mechanisms among the ***CSF*** Funds, and with other relevant Union policies and instruments, including external instruments for cooperation;

Amendment

Content

The Common Strategic Framework shall establish:

deleted

(b) the key territorial challenges for urban, ***peri-urban***, rural, coastal, ***mountain***, fisheries, ***and cultural heritage*** areas, as well as for areas with particular territorial features referred to in Articles 174 and 349 ***TFEU***, to be addressed by the Funds ***covered by the CPR***;

(c) horizontal principles and policy objectives for the implementation of the Funds ***covered by the CPR***;

(d) priority areas for ***territorial*** cooperation activities for each of the Funds ***covered by the CPR***, taking account of macro-regional and sea basin strategies ***where Member States and regions participate in such strategies***;

(e) coordination mechanisms among the Funds ***covered by the CPR***, and with other relevant Union policies and instruments, including external instruments for cooperation;

(f) mechanisms for ensuring the coherence and consistency of the programming of the *CSF Funds with the country-specific recommendations under Article 121(2) of the Treaty and the relevant Council recommendations adopted under 148(4) of the Treaty.*

(f) mechanisms for ensuring the coherence and consistency of the programming of the Funds *covered by the CPR as compared with the National Reform Programmes.*

Amendment 31

Proposal for a regulation

Part 2 – title 2 - chapter 1 - article 12 – paragraph 1

Text proposed by the Commission

The Commission shall be empowered to adopt a delegated act in accordance with Article 142 on the Common Strategic Framework within 3 months of the adoption of this Regulation.

Amendment

The Common Strategic Framework is set out in Annex [X].

Amendment 32

Proposal for a regulation

Part 2 – title 2 - chapter 1 - article 12 – paragraph 2

Text proposed by the Commission

Where there are major changes in the Union strategy for smart, sustainable and inclusive growth, the Commission *shall* review *and, where appropriate, adopt, by delegated act in accordance with Article 142, a revised* Common Strategic Framework.

Amendment

Where there are major changes in the Union strategy for smart, sustainable and inclusive growth, *as a result of adverse developments in the economic or social situation within the Union,* the Commission *may submit a proposal to* review *the* Common Strategic Framework, *or the European Parliament and the Council may ask the Commission to submit such a proposal.*

Amendment 33

Proposal for a regulation

Part 2 – title 2 - chapter 1 - article 12 a (new)

Article 12 a

Guide for beneficiaries

- 1. The Commission shall prepare a detailed practical guide on how to effectively access and use the Funds covered by the CPR, and how to exploit complementarities with other instruments of relevant Union policies.**
- 2. The guide shall be drawn up by 30 June 2014 and shall provide for each thematic objective an overview of the available relevant instruments at Union level with detailed sources of information, examples of good practices to combine available funding instruments within and across policy areas, a description of relevant authorities and bodies involved in the management of each instrument, a checklist for potential beneficiaries to help them to identify the best funding resources.**
- 3. The guide shall be made public on the website of the relevant Directorate Generals of the Commission. The Commission and managing authorities acting in accordance with Article 105, in cooperation with the Committee of the Regions, shall ensure dissemination of the guide to potential beneficiaries.**

Amendment 34

Proposal for a regulation

Part 2 – title 2 - chapter 2 - article 13 – paragraph 2

2. The Partnership Contract shall be drawn up by Member States in cooperation with the partners referred to in Article 5. The Partnership Contract shall be prepared in dialogue with the Commission.

2. The Partnership Contract shall be drawn up, **and implemented at all stages** by Member States in cooperation with the partners, **as** referred to in **Article 4(4) and** Article 5. The Partnership Contract shall be

prepared in dialogue with the Commission.

Amendment 35

Proposal for a regulation

Part 2 – title 2 - chapter 2 - article 13 – paragraph 3 a (new)

Text proposed by the Commission

Amendment

3a. The Partnership Contract shall be the subject of public consultation prior to its submission to the Commission.

Amendment 36

Proposal for a regulation

Part 2 – title 2 - chapter 2 - article 13 – paragraph 4

Text proposed by the Commission

Amendment

4. Each Member State shall transmit its Partnership Contract to the Commission within **3** months of the ***adoption of the Common Strategic Framework.***

4. Each Member State shall transmit its Partnership Contract to the Commission within **6** months of the ***entry into force of this Regulation.***

Amendment 37

Proposal for a regulation

Part 2 – title 2 - chapter 2 - article 14 – point a

Text proposed by the Commission

Amendment

(a) arrangements to ensure alignment with the Union strategy for smart, sustainable and inclusive growth, including:

(i) an analysis of disparities and development needs with reference to the thematic objectives ***and key actions defined in the Common Strategic Framework and the targets set in the country-specific recommendations under Article 121(2) of the Treaty and the***

(a) arrangements to ensure alignment with the Union strategy for smart, sustainable and inclusive growth ***and to promote reduction of disparities between levels of development***, including:

(i) an analysis of disparities and ***sustainable*** development needs ***of Member States and regions*** with reference to the thematic objectives, ***the horizontal principles laid down in Articles 7 and 8,*** the Common Strategic Framework ***set out in Annex -I*** and the targets set ***out in the***

relevant Council recommendations adopted under Article 148 (4) of the Treaty;

(ii) a summary analysis of the *ex ante* evaluations of the programmes justifying the selection of the thematic objectives and the indicative allocations ***of the CSF Funds***;

(iii) for each thematic objective, a summary of the main results expected for each of the ***CSF Funds***;

(iv) the indicative allocation of support by the Union by thematic objective at national level for each of the ***CSF Funds***, as well as the total indicative amount of support foreseen for climate change objectives;

(v) the main priority areas for cooperation, taking account, ***where appropriate***, of macro-regional and sea basin strategies;

(vi) horizontal principles and policy objectives for the implementation of the ***CSF Funds***;

(vii) the list of the programmes under the ERDF, the ESF and the CF, except those under the European territorial cooperation goal, and of the programmes of the EAFRD and the EMFF, with the respective indicative allocations by ***CSF Fund*** and by year;

National Reform Programmes;

(ii) a summary analysis of the *ex ante* evaluations of the programmes justifying the selection of the thematic objectives and the indicative allocations of the ***Funds covered by the CPR; the thematic objectives may differ from one region to another, according to the identified needs of each region***;

(iii) for each thematic objective ***that has been selected***, a summary of the main results expected for each of the Funds ***covered by the CPR***;

(iv) the indicative allocation of support by the Union by thematic objective at national level for each of the Funds ***covered by the CPR***, as well as the total indicative amount of support foreseen for climate change objectives;

(v) the main priority areas for cooperation, taking account of macro-regional, ***metropolitan*** and sea basin strategies, ***in the event that Member States and regions participate in such strategies, with a view to ensuring sufficient allocation from the Funds covered by the CPR to those strategies***;

(vi) horizontal principles and policy objectives for the implementation of the Funds ***covered by the CPR***;

(vii) the list of the programmes under the ERDF, the ESF and the CF, except those under the European territorial cooperation goal, and of the programmes of the EAFRD and the EMFF, with the respective indicative allocations by Fund ***covered by the CPR*** and by year;

Amendment 38

Proposal for a regulation

Part 2 – title 2 - chapter 2 - article 14 – point b

Text proposed by the Commission

- (b) an integrated approach to territorial development supported by the **CSF** Funds setting out:
- (i) the mechanisms at national and regional level that ensure coordination between the **CSF** Funds and other Union and national funding instruments and with the EIB;
- (ii) the arrangements to ensure an integrated approach to the use of the **CSF** Funds for the territorial development of urban, rural, coastal **and** fisheries **areas** and areas with particular territorial features, in particular the implementation arrangements for Articles 28, 29 and 99 accompanied, **where appropriate, by a list of the cities to participate in the urban development platform referred to in Article 8 of the ERDF Regulation;**

Amendment

- (b) an integrated approach to **sustainable** territorial development supported by the Funds **covered by the CPR** setting out:
- (i) the mechanisms at national and regional level that ensure coordination between the Funds **covered by the CPR** and other Union and national funding instruments and with the EIB;
- (ii) the arrangements to ensure an integrated approach to the use of the Funds **covered by the CPR** for the territorial **sustainable** development of **different types of territories including** urban, **peri-urban**, rural, coastal, fisheries and **cross-border areas, as well as** areas with particular territorial features **such as mountain ranges, islands or very low population density areas**, in particular the implementation arrangements for Articles 28, 29 and 99 accompanied **by the list of criteria for the designation of cities or functional urban areas;**

Amendment 39

Proposal for a regulation

Part 2 – title 2 - chapter 2 - article 14 – point c

Text proposed by the Commission

- (c) an integrated approach to address the specific needs of geographical areas most affected by poverty or of target groups at highest risk of discrimination or exclusion, with special regard to marginalised communities, where appropriate, including the indicative financial allocation for the relevant **CSF** Funds;

Amendment

- (c) an integrated approach to address **regional demographic challenges and** the specific needs of geographical areas most affected **by serious and permanent natural and demographic disadvantages, as defined in Article 174 of the Treaty**, by poverty **and unemployment, with special regard to youth unemployment** or of target groups at highest risk of discrimination or

social exclusion, with special regard to marginalised communities, *and persons with disabilities* where appropriate, including the indicative financial allocation for the relevant Fund *among the Funds covered by the CPR*;

Amendment 40

Proposal for a regulation

Part 2 – title 2 - chapter 2 - article 14 – point c a (new)

Text proposed by the Commission

Amendment

(ca) an integrated strategic approach to infrastructure investments in regions, particularly with reference to the coordinated use of the Funds covered by the CPR, the Connecting Europe Facility and the TENs;

Amendment 41

Proposal for a regulation

Part 2 – title 2 - chapter 2 - article 14 – point c b (new)

Text proposed by the Commission

Amendment

(cb) an integrated approach to climate- and environment-related challenges, particularly with a view to ensuring a complementary use of the Funds covered by the CPR and the LIFE programme;

Amendment 42

Proposal for a regulation

Part 2 – title 2 - chapter 2 - article 14 – point d

Text proposed by the Commission

Amendment

(d) arrangements to ensure effective implementation, including:

(i) a consolidated table of milestones and

(d) arrangements to ensure effective implementation, including:

(i) a consolidated table of *measurable*

targets established in programmes for the performance framework referred to in Article 19(1), together with the methodology and mechanism to ensure consistency across programmes and **CSF** Funds;

(ii) a summary of the assessment of the fulfilment of *ex ante* conditionalities and of the actions to be taken at national and regional level, and the timetable for their implementation, where *ex ante* conditionalities are not fulfilled;

(iii) the information required for *ex ante* verification of compliance with the rules on additionality as they are defined in Part Three of this Regulation;

(iv) the actions taken to involve **the** partners and **their** role in the preparation of the Partnership Contract and the progress report as defined in Article 46 of this Regulation;

milestones and targets established in programmes for the performance framework referred to in Article 19(1), together with the methodology and mechanism to ensure consistency across programmes and Funds ***covered by the CPR***;

(ii) a summary of the assessment of the fulfilment of *ex ante* conditionalities, ***in accordance with Article 17*** and of the actions to be taken at national and regional level, and the timetable for their implementation, where *ex ante* conditionalities are not fulfilled;

(iii) the information required for *ex ante* verification of compliance with the rules on additionality as they are defined in Part Three of this Regulation;

(iii a) measures for the correct, efficient and transparent allocation of resources pursuant to competitive procedures;

(iv) ***an indicative list of partners***, the actions taken ***by the Member State and the competent regional and local authorities*** to involve ***those*** partners and ***the role of those partners*** in the preparation ***and implementation*** of the Partnership Contract and the progress report as defined in Article 46 of this Regulation, ***in accordance with the Code of Conduct***;

(iv a) where appropriate , the identification of the legal and administrative barriers to the implementation of partnership in the national context and actions envisaged to address such obstacles.

Amendment 43

Proposal for a regulation

Part 2 – title 2 - chapter 2 - article 15 – paragraph 1

Text proposed by the Commission

1. The Commission shall assess the

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Amendment

1. The Commission shall assess the

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consistency of the Partnership Contract with this Regulation, with the ***Common Strategic Framework, and the country-specific recommendations under Article 121(2) of the Treaty and the Council recommendations adopted under 148(4) of the Treaty***, taking account of the *ex ante* evaluations of the programmes, and shall make observations within three months of the date of submission of the Partnership Contract. The Member State shall provide all necessary additional information and, where appropriate, shall revise the Partnership Contract.

consistency of the Partnership Contract with this Regulation, with the ***National Reform Programmes***, taking account of the *ex ante* evaluations of the programmes, and shall make observations within three months of the date of submission of the Partnership Contract. The Member State shall provide all necessary additional information and, where appropriate, shall revise the Partnership Contract.

Amendment 44

Proposal for a regulation

Part 2 – title 2 - chapter 2 - article 15 – paragraph 2

Text proposed by the Commission

2. The Commission shall adopt a decision, by means of implementing acts, approving the Partnership Contract no later than six months after its submission by the Member State, provided that any observations made by the Commission have been satisfactorily taken into account. The Partnership Contract shall not enter into force before 1 January 2014.

Amendment

2. The Commission shall adopt a decision, by means of implementing acts, approving the Partnership Contract no later than six months after its submission by the Member State, provided that any observations made by the Commission have been satisfactorily taken into account. ***Competent regional and local authorities as referred to in Article 5(1), may, within this timeframe, notify the Commission, where significant aspects of partnership have been incorrectly implemented in the preparation of the Partnership Contract.*** The Partnership Contract shall not enter into force before 1 January 2014.

Amendment 45

Proposal for a regulation

Part 2 – title 2 - chapter 2 - article 15 – paragraph 2 a (new)

Text proposed by the Commission

Amendment

2a. The Commission shall prepare a Communication on the outcome of the negotiations concerning the Partnership Contracts and the programmes, including a detailed overview, per Member State, by 31 December 2016. This Communication shall be submitted to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions simultaneously.

Amendment 46

Proposal for a regulation

Part 2 – title 2 - chapter 2 - article 15 – paragraph 3

Text proposed by the Commission

Amendment

3. Where a Member State proposes an amendment to the Partnership Contract, the Commission shall carry out an assessment in accordance with paragraph 1 and, where appropriate, shall adopt a decision, by means of implementing acts, approving the amendment.

3. Where a Member State proposes an amendment to the Partnership Contract, the Commission shall carry out an assessment in accordance with paragraph 1 and, where appropriate, shall adopt a decision, by means of implementing acts, approving the amendment, ***within three months of its submission by the Member State at the latest.***

Amendment 47

Proposal for a regulation

Part 2 – title 2 - chapter 3 - article 16

Text proposed by the Commission

Amendment

Thematic concentration

Thematic concentration

Member States shall concentrate support, in accordance with the Fund-specific rules, on **actions** bringing the greatest added value in relation to the Union strategy for smart, sustainable and inclusive growth, **addressing** the challenges identified in **the country-specific recommendations under Article 121(2) of the Treaty and the relevant Council recommendations adopted under 148(4) of the Treaty, and** taking into account national **and** regional needs.

Member States, **in agreement with partners as referred to in Article 5(1)** shall concentrate support, in accordance with the Fund-specific rules, on **interventions** bringing the greatest added value in relation to the Union strategy for smart, sustainable and inclusive growth, **and which address** the challenges identified in **National Reform Programmes, while** taking into account national, regional **and where appropriate macro-regional** needs **and ensuring a balance between those needs and Union objectives.**

Amendment 48

Proposal for a regulation

Part 2 – title 2 - chapter 3 - article 17 – paragraph 1

Text proposed by the Commission

1. *Ex ante* conditionalities shall be defined for each **CSF** Fund in the Fund-specific rules.

Amendment

1. *Ex ante* conditionalities shall be defined for each Fund **covered by the CPR** in the Fund-specific rules. ***An ex ante conditionality is a prerequisite and shall be applied only where it has a direct link to, and an impact on, the effective implementation of the Funds covered by the CPR.***

Amendment 49

Proposal for a regulation

Part 2 – title 2 - chapter 3 - article 17 – paragraph 2

Text proposed by the Commission

2. Member States shall assess whether the applicable *ex ante* conditionalities **are** fulfilled.

Amendment

2. Member States shall, **in accordance with Article 4(4)**, assess whether the applicable *ex ante* conditionalities **laid down in the Fund-specific rules have been** fulfilled.

Amendment 50

Proposal for a regulation

Part 2 – title 2 - chapter 3 - article 17 – paragraph 4

Text proposed by the Commission

4. Member States shall set out the detailed actions relating to the fulfilment of *ex ante* conditionalities, including the timetable for their implementation, in the relevant programmes.

Amendment

4. Member States shall set out the detailed actions ***to be carried out within the set timeframe*** relating to the fulfilment of *ex ante* conditionalities, including the timetable for their implementation, in the relevant programmes.

Amendment 51

Proposal for a regulation

Part 2 – title 2 - chapter 3 - article 17 – paragraph 5

Text proposed by the Commission

5. The Commission shall assess the information provided ***on*** the fulfilment of *ex ante* conditionalities in the framework of its assessment of the Partnership Contract and programmes. ***It*** may decide, when adopting a programme, to suspend all or part of interim payments to the programme pending the satisfactory completion of actions to fulfil an *ex ante* conditionality. The failure to complete actions to fulfil an *ex ante* conditionality by the deadline set out in the programme shall constitute a basis for suspending payments by the Commission.

Amendment

5. The Commission shall assess the ***consistency of the*** information provided ***in relation to the applicability and*** fulfilment of *ex ante* conditionalities in the framework of its assessment of the Partnership Contract and programmes. ***In accordance with the Fund-specific rules, the Commission*** may decide, when adopting a programme, to suspend all or part of ***any*** interim payments to the ***respective*** programme, pending the satisfactory completion of actions to fulfil an *ex ante* conditionality ***which is instrumental to the achievement of that programme's objectives***. The failure to complete actions to fulfil an *ex ante* conditionality by the deadline set out in the programme shall constitute a basis for suspending payments by the Commission, ***in accordance with the Fund-specific rules. The suspension of payments shall be lifted without delay once the Member State fulfils the ex ante conditionalities applicable to the programme.***

Amendment 52

Proposal for a regulation

Part 2 – title 2 - chapter 3 - article 18

Text proposed by the Commission

Amendment

Article 18

deleted

Performance reserve

5% of the resources allocated to each CSF Fund and Member State, with the exception of resources allocated to the European territorial cooperation goal and to Title V of the EMFF Regulation, shall constitute a performance reserve to be allocated in accordance with Article 20.

Amendment 53

Proposal for a regulation

Part 2 – title 2 - chapter 3 - article 19 – paragraph 2

Text proposed by the Commission

Amendment

2. The review shall examine the achievement of the milestones of the programmes at the level of priorities, on the basis of the information and the assessments presented in the progress reports submitted by the Member States in the years 2017 and 2019.

2. The review shall examine the achievement of the milestones of the programmes at the level of priorities, on the basis of the information and the assessments presented, ***in accordance with Article 46***, in the progress reports submitted by the Member States in the years 2017 and 2019.

Amendment 54

Proposal for a regulation

Part 2 – title 2 - chapter 3 - article 20 – title

Text proposed by the Commission

Amendment

Allocation of performance reserve

Performance ***framework***

Amendment 55

Proposal for a regulation

Part 2 – title 2 - chapter 3 - article 20 – paragraph 2

Text proposed by the Commission

2. On the basis of the review undertaken in 2019, the Commission shall adopt a decision, by means of implementing acts, to determine for each **CSF** Fund and Member State the programmes and priorities which have attained their milestones. ***The Member State shall propose the attribution of the performance reserve for the programmes and priorities set out in that Commission decision. The Commission shall approve the amendment of the programmes concerned in accordance with Article 26. Where a Member State fails to submit the information in accordance with Article 46(2) and (3), the performance reserve for the programmes or the priorities concerned shall not be allocated.***

Amendment

2. On the basis of the review undertaken in 2019, the Commission shall adopt a decision, by means of implementing acts, to determine for each Fund ***covered by the CPR*** and Member State the programmes and priorities which have attained their milestones.

Amendment 56

Proposal for a regulation

Part 2 – title 2 - chapter 3 - article 20 – paragraph 3

Text proposed by the Commission

3. Where there is evidence resulting from a performance review that a priority has failed to achieve the milestones set out in the performance framework, the Commission may suspend all or part of an interim payment of a priority of a programme in accordance with the procedure laid down in Fund-specific rules.

Amendment

3. Where there is evidence resulting from a performance review that a priority has failed to achieve the milestones set out in the performance framework, ***the Commission may call upon the Member State to propose amendments to the relevant programmes. If the Member State does not respond satisfactorily within three months,*** the Commission may suspend all or part of an interim payment of a priority of a programme in accordance with the procedure laid down in ***the*** Fund-specific rules. ***The suspension shall be lifted and funds made available again as***

soon as the Member State takes the necessary action.

Amendment 57

(modification of mandate of 11 July 2012)

Proposal for a regulation

Part 2 – title 2 - chapter 3 - article 20 – paragraph 4

Text proposed by the Commission

Amendment

4. Where the Commission, based on the examination of the final implementation report of the programme, establishes a serious failure to achieve the targets set out in the performance framework, it may apply financial corrections in respect of the priorities concerned in accordance with Fund-specific rules. The Commission shall be empowered to adopt delegated acts in accordance with Article 142 to establish criteria and the methodology for determining the level of financial correction to be applied. *deleted*

Amendment 58

Proposal for a regulation

Part 2 – title 2 - chapter 4 - article 21

Text proposed by the Commission

Amendment

Article 21

deleted

Conditionality linked to the coordination of Member States' economic policies

1. The Commission may request a Member State to review and propose amendments to its Partnership Contract and the relevant programmes, where this is necessary:

(a) to support the implementation of a Council recommendation, addressed to the Member State concerned and adopted in accordance with Articles 121(2) and/or

148(4) of the Treaty, or to support the implementation of measures addressed to the Member State concerned and adopted in accordance with Article 136(1) of the Treaty;

(b) to support the implementation of a Council recommendation addressed to the Member State concerned and adopted in accordance with Article 126(7) of the Treaty;

(c) to support the implementation of a Council recommendation addressed to the Member State concerned and adopted in accordance with Article 7(2) of Regulation (EU) No .../2011 [on the prevention and correction of macroeconomic imbalances], provided that these amendments are deemed necessary to help correct the macroeconomic imbalances; or

(d) to maximise the growth and competitiveness impact of the available CSF Funds pursuant to paragraph 4, if a Member State meets one of the following conditions:

(i) Union financial assistance is made available to it under Council Regulation (EU) No 407/2010;

(ii) medium-term financial assistance is made available to it in accordance with Council Regulation (EC) No 332/2002;

(iii) financial assistance in the form of an ESM loan is made available to it in accordance with the Treaty establishing the European Stability Mechanism.

2. The Member State shall submit a proposal for amending the Partnership Contract and the relevant programmes within one month. If necessary, the Commission shall make observations within one month from the submission of the amendments, in which case the Member State shall re-submit its proposal within one month.

3. Where the Commission has not made observations or where its observations have been satisfactorily taken into account, the Commission shall adopt a decision approving the amendments to the Partnership Contract and the relevant programmes without undue delay.

4. By derogation to paragraph 1, where financial assistance is made available to a Member State in accordance with paragraph 1(d) and is linked to an adjustment programme, the Commission may without any proposal from the Member State amend the Partnership Contract and the programmes with a view to maximising the growth and competitiveness impact of the available CSF Funds. To ensure effective implementation of the Partnership Contract and the relevant programmes, the Commission shall become involved in their management as detailed in the adjustment programme or the Memorandum of Understanding signed with the Member State concerned.

5. Where the Member State fails to respond to the Commission's request referred to in paragraph 1 or does not reply satisfactorily within one month to the observations of the Commission referred to in paragraph 2, the Commission may, within three months following its observations, adopt a decision, by means of implementing acts, suspending part or all of the payments for the programmes concerned.

6. The Commission shall suspend, by means of implementing acts, part or all of the payments and commitments for the programmes concerned where:

(a) the Council decides that the Member State does not comply with the specific measures set out by the Council in accordance with Article 136(1) of the Treaty;

(b) the Council decides in accordance with Article 126(8) or Article 126(11) of the Treaty that the Member State concerned has not taken effective action to correct its excessive deficit;

(c) the Council concludes in accordance with Article 8(3) of Regulation (EU) No [...]/2011 [on the prevention and correction of macroeconomic imbalances] that, on two successive instances, the Member State has not submitted a sufficient corrective action plan or the Council adopts a decision declaring non-compliance in accordance with Article 10(4) of that Regulation;

(d) the Commission concludes that the Member State has not taken measures to implement the adjustment programme referred to in Council Regulation (EU) No 407/2010 or Council Regulation (EC) No 332/2002 and as a consequence decides not to authorise the disbursement of the financial assistance granted to this Member State; or

(e) the Board of Directors of the European stability mechanism concludes that the conditionality attached to an ESM financial assistance in the form of an ESM loan to the concerned Member State was not met and as a consequence decides not to disburse the stability support granted to it.

7. When deciding to suspend part or all of the payments or commitments in accordance with paragraphs 5 and 6 respectively, the Commission shall ensure that the suspension is proportionate and effective, taking into account the economic and social circumstances of the Member State concerned, and respects equality of treatment between Member States, in particular with regard to the impact of the suspension on the economy of the Member State concerned.

8. The Commission shall without delay lift the suspension of payments and

commitments where the Member State has proposed amendments to the Partnership Contract and the relevant programmes as requested by the Commission, which the Commission has approved and, where applicable:

(a) the Council has decided that the Member State complies with the specific measures set out by the Council in accordance with Article 136(1) of the Treaty;

(b) the excessive deficit procedure is held in abeyance in accordance with Article 9 of Regulation (EC) No 1467/97 or the Council has decided in accordance with Article 126(12) of the Treaty to abrogate the decision on the existence of an excessive deficit;

(c) the Council has endorsed the corrective action plan submitted by the concerned Member State in accordance with Article 8(2) of Regulation (EU) No [...] [EIP Regulation] or the excessive imbalance procedure is placed in a position of abeyance in accordance with Article 10(5) of that Regulation or the Council has closed the excessive imbalance procedure in accordance with Article 11 of that Regulation;

(d) the Commission has concluded that the Member State has taken measures to implement the adjustment programme referred to in Council Regulation (EU) No 407/2010 or Council Regulation (EC) No 332/2002 and as a consequence has authorised the disbursement of the financial assistance granted to this Member State; or

(e) the Board of Directors of the European stability mechanism has concluded that the conditionality attached to a financial assistance in the form of an ESM loan to the concerned Member State is met and as a consequence has decided to disburse the stability support granted to

it.

At the same time, the Council shall decide, on a proposal from the Commission, to re-budget the suspended commitments in accordance with Article 8 of Council Regulation (EU) No [...] laying down the multiannual financial framework for the years 2014 to 2020.

Amendment 59

Proposal for a regulation

Part 2 – title 2 - chapter 4 - article 22 – paragraph 2 a (new)

Text proposed by the Commission

Amendment

2a. The increased interim payments shall be made available as soon as possible to the managing authority, ensuring fully transparent use thereof for making payments for the implementation of the programme.

Amendment 60

Proposal for a regulation

Part 2 – title 3 - chapter 1 - article 23 – paragraph 2

Text proposed by the Commission

Amendment

2. Programmes shall be drawn up by Member States or any authority designated by them, in cooperation with the partners.

2. Following a public consultation programmes shall be drawn up by Member States or any authority designated by them, in cooperation with the partners, ***as referred to in Article 5 and on the basis the European Code of Conduct, prior to their submission to the Commission.***

Amendment 61

Proposal for a regulation

Part 2 – title 3 - chapter 1 - article 23 – paragraph 2 a (new)

Text proposed by the Commission

Amendment

2a. The Commission shall support the preparation and implementation multi-fund programmes (ERDF, ESF, Cohesion Fund, EAFRD, EMFF), subject to the proportionality principle.

Amendment 62

Proposal for a regulation

Part 2 – title 3 - chapter 1 - article 23 – paragraph 3

Text proposed by the Commission

Amendment

3. Programmes shall be submitted by the Member States ***at the same time*** as the Partnership Contract, with the exception of European territorial cooperation programmes, which shall be submitted within ***six*** months of the ***approval of the Common Strategic Framework***. All programmes shall be accompanied by the *ex ante* evaluation as set out in Article 48.

3. Programmes shall be submitted by the Member States ***within three months of the adoption by the European Commission of*** the Partnership Contract, with the exception of European territorial cooperation programmes, which shall be submitted within ***nine*** months of the ***entry into force of this Regulation***. All programmes shall be accompanied by the *ex ante* evaluation as set out in Article 48.

Amendment 63

Proposal for a regulation

Part 2 – title 3 - chapter 1 - article 24 – paragraph 1

Text proposed by the Commission

Amendment

1. Each programme shall set out a strategy for the programme's contribution to the Union strategy for smart, sustainable and inclusive growth consistent with the ***Common Strategic Framework*** and Partnership Contract. Each programme shall include the arrangements to ensure effective, efficient and coordinated

1. Each programme shall set out a strategy for the programme's contribution to the Union strategy for smart, sustainable and inclusive growth. ***That strategy shall be*** consistent with the ***provisions set out in this Regulation and with the content of the*** Partnership Contract. Each programme shall include the arrangements, ***for***

implementation of the **CSF** Funds and actions to achieve a reduction of administrative burden for beneficiaries.

example in terms of competitive procedures, to ensure effective, efficient and coordinated implementation of the Funds ***covered by the CPR*** and actions to achieve a reduction of administrative burden for beneficiaries.

Amendment 64

Proposal for a regulation

Part 2 – title 3 - chapter 1 - article 24 – paragraph 2

Text proposed by the Commission

2. Each programme shall define priorities setting out specific objectives, financial appropriations of support from the **CSF** Funds and corresponding national co-financing.

Amendment

2. Each programme shall define priorities setting out specific objectives, financial appropriations of support from the Funds ***covered by the CPR*** and ***the*** corresponding ***public and private*** national co-financing.

Amendment 65

Proposal for a regulation

Part 2 – title 3 - chapter 1 - article 24 – paragraph 2 a (new)

Text proposed by the Commission

Amendment

2 a. Where Member States and regions participate in macro-regional strategies or sea basin strategies, the programme shall be coordinated with those strategies, in accordance with the Partnership Contract.

Amendment 66

Proposal for a regulation

Part 2 – title 3 - chapter 1 - article 24 – paragraph 3

Text proposed by the Commission

Amendment

3. Each priority shall set out indicators to assess progress of programme implementation towards achievement of objectives as the basis for monitoring,

3. Each priority shall set out ***measurable*** indicators to assess progress of programme implementation towards achievement of objectives as the basis for monitoring,

evaluation and review of performance. **These** shall include:

- (a) financial indicators relating to expenditure allocated;
- (b) output indicators relating to the operations supported;
- (c) result indicators relating to the priority.

For each **CSF** Fund, the Fund-specific rules shall set out common indicators and may provide for programme-specific indicators.

evaluation and review of performance. **The indicators** shall include:

- (a) financial indicators relating to expenditure allocated;
- (b) output indicators relating to the operations supported;
- (c) result indicators relating to the priority;
(ca) where appropriate, indicators related to the programme's contribution to macro regional strategies and sea basins strategies.

For each Fund **covered by the CPR**, the Fund-specific rules shall set out **provisions related to** common indicators and may provide for programme-specific indicators.

Amendment 67

Proposal for a regulation

Part 2 – title 3 - chapter 1 - article 24 – paragraph 4

Text proposed by the Commission

4. Each programme, except those which cover exclusively technical assistance, shall include a description of the actions to take into account the principles set out in Articles 7 and 8.

Amendment

4. Each programme, except those which cover exclusively technical assistance, shall **also include the actions taken to involve the partners, as referred to in Article 5, at all stages of the preparation, implementation, evaluation and monitoring of the programme, and** a description of the actions to take into account the principles set out in Articles 7 and 8.

Amendment 68

Proposal for a regulation

Part 2 – title 3 - chapter 1 - article 24 – paragraph 5

Text proposed by the Commission

5. Each programme, except those where technical assistance is undertaken under a specific programme, shall set out the

Amendment

5. Each programme, except those where technical assistance is undertaken under a specific programme, shall set out the

indicative amount of support to be used for climate change objectives.

indicative amount of support to be used for climate change objectives, ***based on the categories of interventions in the respective programme.***

Amendment 69

Proposal for a regulation

Part 2 – title 3 - chapter 1 - article 25 – paragraph 1

Text proposed by the Commission

1. The Commission shall assess the consistency of programmes with this Regulation, the Fund-specific rules, their effective contribution to the thematic objectives and the Union priorities specific to each **CSF** Fund, ***the Common Strategic Framework***, the Partnership Contract, ***the country-specific recommendations under Article 121(2) of the Treaty and the Council recommendations adopted under 148(4) of the Treaty***, taking account of the *ex ante* evaluation. The assessment shall address, in particular, the adequacy of the programme strategy, the corresponding objectives, indicators, targets and the allocation of budgetary resources.

Amendment

1. The Commission shall assess the consistency of programmes ***and their coherence with the provisions set out in the CSF contained in Annex X to this Regulation***, the Fund-specific rules, their effective contribution to the thematic objectives and the Union priorities specific to each Fund ***covered by the CPR, with the content of*** the Partnership Contract, ***the National Reform Programmes***, taking account of the *ex ante* evaluation. The assessment shall address, in particular, the adequacy of the programme strategy, the corresponding objectives, indicators, targets and the allocation of budgetary resources.

Amendment 70

Proposal for a regulation

Part 2 – title 3 - chapter 1 - article 25 – paragraph 2

Text proposed by the Commission

2. The Commission shall make observations within ***three*** months of the date of submission of the programme. The Member State shall provide to the Commission all necessary additional information and, where appropriate, revise the proposed programme.

Amendment

2. The Commission shall make observations within ***two*** months of the date of submission of the programme. The Member State shall provide to the Commission all necessary additional information and, where appropriate, revise the proposed programme ***within two months.***

Amendment 71

Proposal for a regulation

Part 2 – title 3 - chapter 1 - article 25 – paragraph 3

Text proposed by the Commission

3. In accordance with the Fund-specific rules, the Commission shall approve each programme no later than **six** months following its formal submission by the Member State(s), provided that any observations made by the Commission have been satisfactorily taken into account, but not before 1 January 2014 or before adoption by the Commission of a decision approving the Partnership Contract.

Amendment

3. In accordance with the Fund-specific rules, the Commission shall approve each programme no later than **five** months following its formal submission by the Member State(s), provided that any observations made by the Commission have been satisfactorily taken into account, but not before 1 January 2014 or before adoption by the Commission of a decision approving the Partnership Contract.

Amendment 72

Proposal for a regulation

Part 2 – title 3 - chapter 1 - article 26 – paragraph 1

Text proposed by the Commission

1. Requests for amendment of programmes submitted by a Member State shall be duly substantiated and shall in particular set out the expected impact of the changes to the programme **on** achieving the Union strategy for smart, sustainable and inclusive growth and the specific objectives defined in the programme, taking account of the **Common Strategic Framework** and the Partnership Contract. **They** shall be accompanied by the revised programme and, where appropriate, a revised Partnership Contract.

In the case of amendment of programmes under the European territorial cooperation goal, the relevant Partnership Contract shall not be amended.

Amendment

1. Requests for amendment of programmes submitted by a Member State shall be duly substantiated and shall in particular set out the expected impact of the changes to the programme **with regard to** achieving the Union strategy for smart, sustainable and inclusive growth, **sustainable development** and the specific objectives defined in the programme, taking account of **this Regulation** and the Partnership Contract. **Such requests shall be prepared in accordance with Article 5 and** shall be accompanied by the revised programme and, where appropriate, a revised Partnership Contract.

In the case of amendment of programmes under the European territorial cooperation goal, the relevant Partnership Contract shall not be amended.

Amendment 73

Proposal for a regulation

Part 2 – title 3 - chapter 1 - article 26 – paragraph 2

Text proposed by the Commission

2. The Commission shall assess the information provided in accordance with paragraph 1, taking account of the justification provided by the Member State. The Commission may make observations and the Member State shall provide to the Commission all necessary additional information. In accordance with Fund-specific rules, the Commission shall approve requests for amendment of a programme no later than **five** months after their formal submission by the Member State provided that any observations made by the Commission have been satisfactorily taken into account. The Commission shall, where necessary, amend at the same time the decision approving the Partnership Contract in accordance with Article 15(3).

Amendment

2. The Commission shall assess the information provided in accordance with paragraph 1, taking account of the justification provided by the Member State. The Commission may make observations and the Member State shall provide to the Commission all necessary additional information. In accordance with Fund-specific rules, the Commission shall approve requests for amendment of a programme no later than **two** months after their formal submission by the Member State provided that any observations made by the Commission have been satisfactorily taken into account. The Commission shall, where necessary, amend at the same time the decision approving the Partnership Contract in accordance with Article 15(3).

Amendment 74

Proposal for a regulation

Part 2 – title 3 - chapter 1 - article 27 – paragraph 3

Text proposed by the Commission

3. The Commission may request the EIB to examine the technical quality and economic **and** financial viability of major projects and to assist it as regards the financial instruments to be implemented or developed.

Amendment

3. The Commission may request the EIB to examine the technical quality and economic, financial viability **and sustainability** of major projects and to assist it as regards the financial instruments to be implemented or developed.

Amendment 75

Proposal for a regulation

Part 2 – title 3 - chapter 2 - article 28 – paragraph 1

Text proposed by the Commission

1. Community-led local development, which is designated as LEADER local development in relation to the EAFRD, shall be:

(a) focused on specific sub-regional territories;

(b) community-led, by local action groups composed of representatives of public and private local socio-economic interests, where at the decision-making level neither the public sector nor any single interest group shall represent more than 49 % of the voting rights;

(c) carried out through integrated and multi-sectoral area-based local development strategies;

(d) designed taking into consideration local needs and potential, and include innovative features in the local context, networking and, where appropriate, cooperation.

Amendment

1. Community-led local development, which is designated as LEADER local development in relation to the EAFRD, shall be:

(a) focused on specific sub-regional territories, ***defined by the Member States in accordance with their specific territorial units, after consultation with the relevant partners;***

(b) community-led by local action groups composed of representatives of public and private local socio-economic interests, ***open to civil society participation,*** where at the decision-making level neither the public sector nor any single interest group shall represent more than 49 % of the voting rights;

(c) carried out through integrated and multi-sectoral area-based local development strategies ***taking into account long term effects;***

(d) designed ***by*** taking into consideration local needs and potential, and include innovative and socio-cultural features in the local context, networking and, where appropriate, ***territorial*** cooperation.

Amendment 76

Proposal for a regulation

Part 2 – title 3 - chapter 2 - article 28 – paragraph 2

Text proposed by the Commission

2. Support from the **CSF** Funds to local development shall be consistent and coordinated ***between the CSF Funds***. This shall be ensured inter alia through

Amendment

2. Support from the Funds ***covered by the CPR*** to local development shall be consistent and coordinated ***vis-à-vis each other***. This shall be ensured inter alia

coordinated capacity-building, selection, approval and funding of local development strategies and local development groups.

through coordinated capacity-building, selection, approval and funding of local development strategies and local development groups.

Amendment 77

Proposal for a regulation

Part 2 – title 3 - chapter 2 - article 28 – paragraph 3

Text proposed by the Commission

3. Where the selection committee for the local development strategies set up under Article 29(3) determines that the implementation of the local development strategy selected requires support from more than one Fund, a lead Fund may ***be designated***.

Amendment

3. Where the selection committee for the local development strategies set up under Article 29(3) determines that the implementation of the local development strategy selected requires support from more than one Fund, ***the committee*** may ***designate*** a lead Fund.

Amendment 78

Proposal for a regulation

Part 2 – title 3 - chapter 2 - article 28 – paragraph 5

Text proposed by the Commission

5. Local development supported by the ***CSF*** Funds shall be carried out under one or more priorities of the programme.

Amendment

5. Local development supported by the Funds ***covered by the CPR*** shall be carried out under one or more ***programmes, and one or more*** priorities of the programme.

Amendment 79

Proposal for a regulation

Part 2 – title 3 - chapter 2 - article 29 – paragraph 1

Text proposed by the Commission

1. A local development strategy shall contain at least the following elements:
(a) the definition of the area and population covered by the strategy;

Amendment

1. A local development strategy shall contain at least the following elements:
(a) the definition of the area and population covered by the strategy, ***taking into account on the functionality of the***

- (b) an analysis of the development needs and potential of the area, including an analysis of strengths, weaknesses, opportunities and threats;
- (c) a description of the strategy and its objectives, **a description of the integrated and innovative character of the strategy** and a hierarchy of objectives, including clear and measurable targets for outputs or results. The strategy shall be coherent with the relevant programmes of all the **CSF** Funds involved;
- (d) a description of the process of community involvement in the development of the strategy;
- (e) an action plan demonstrating how objectives are translated into actions;
- (f) a description of the management and monitoring arrangements of the strategy, demonstrating the capacity of the local action group to implement the strategy and a description of specific arrangements for evaluation;
- (g) the financial plan of the strategy, including the planned allocation **of** each of the **CSF** Funds.

respective territories and urban-rural links;

- (b) an analysis of the development needs and potential of the area, including an analysis of strengths, weaknesses, opportunities and threats;
- (c) a description of the strategy and its objectives **with a focus on its** integrated and innovative character and a hierarchy of objectives, including clear and measurable targets for outputs or results. **Special emphasis should be put on strategies for peri-urban areas that include both urban and rural stakeholders.** The strategy shall be coherent with the relevant programmes of **each of the Funds covered by the CPR** involved, **as well as with the relevant strategies of local public authorities;**
- (d) a description of the process of **local** community involvement in the development of the strategy;
- (e) an action plan demonstrating how objectives are translated into actions;
- (f) a description of the management and monitoring arrangements of the strategy, demonstrating the capacity of the local action group to implement the strategy and a description of specific arrangements for **the evaluation by the local action group;**
- (g) the financial plan of the strategy, including the planned allocation **from** each of the Funds **covered by the CPR, with specific reference to the allocation for Integrated Territorial Investments and Joint Action Plans, where appropriate;**
- (ga) capacity building measures foreseen for local actors and partners involved in the preparation and implementation of projects.**

Amendment 80

Proposal for a regulation

Part 2 – title 3 - chapter 2 - article 29 – paragraph 2

Text proposed by the Commission

2. Member States shall define criteria for the selection of local development strategies. The Fund-specific rules may set out selection criteria.

Amendment

2. Member States, ***in agreement with partners as defined in Article 5(1)*** shall define criteria for the selection of local ***sustainable*** development strategies. The Fund-specific rules may set out ***minimum requirements for*** selection criteria.

Amendment 81

Proposal for a regulation

Part 2 – title 3 - chapter 2 - article 29 – paragraph 3

Text proposed by the Commission

3. Local development strategies shall be selected by a committee set up for this purpose by the relevant managing authorities of the programmes.

Amendment

3. Local development strategies shall be selected by a committee set up for this purpose by the relevant managing authorities of the programmes; ***the relevant partners shall be represented in the committee.***

Amendment 82

Proposal for a regulation

Part 2 – title 3 - chapter 2 - article 29 – paragraph 4

Text proposed by the Commission

4. The selection and approval of all local development strategies shall be completed by 31 December 2015 at the latest.

Amendment

4. The selection and approval of all local ***sustainable*** development strategies shall be completed by 31 December 2015 at the latest.

Amendment 83

Proposal for a regulation

Part 2 – title 3 - chapter 2 - article 29 – paragraph 5

Text proposed by the Commission

5. The decision *to approve a local development strategy by the* managing *authority* shall set out the allocations of each **CSF** Fund. It shall also set out the roles of the authorities responsible for the implementation of the relevant programmes for all implementation tasks relating to the strategy.

Amendment

5. The decision, *by the relevant* managing *authorities of the programmes, with regard to approval of a local development strategy,* shall set out the allocations *from* each Fund *covered by the CPR*. It shall also set out the roles of the *local* authorities responsible for the implementation of the relevant programmes for all implementation tasks relating to the strategy.

Amendment 84

Proposal for a regulation

Part 2 – title 3 - chapter 2 - article 29 – paragraph 6

Text proposed by the Commission

6. The Commission shall be empowered to adopt delegated acts in accordance with Article 142 concerning the definition of the area and population covered by the strategy referred in paragraph 1(a).

Amendment

6. The Commission shall be empowered to adopt delegated acts in accordance with Article 142 concerning the *criteria for the* definition of the area and population covered by the strategy referred *to* in paragraph 1(a).

Amendment 85

Proposal for a regulation

Part 2 – title 3 - chapter 2 - article 30 – paragraph 1

Text proposed by the Commission

1. Local action groups shall design and implement the local development strategies.

Member States shall define the respective roles of the local action *group* and the authorities responsible for the

Amendment

1. Local action groups shall design and implement the local development strategies.

The relevant managing authorities shall define the respective roles of the local action *groups* and the authorities

implementation of the relevant programmes, for all implementation tasks relating to the strategy.

responsible for the implementation of the relevant programmes, for all implementation tasks relating to the strategy.

Amendment 86

Proposal for a regulation

Part 2 – title 3 - chapter 2 - article 30 – paragraph 2

Text proposed by the Commission

2. The managing **authority** shall ensure that the local action groups either select one partner within the group as a lead partner in administrative and financial matters, or come together in a legally constituted common structure.

Amendment

2. The **relevant** managing **authorities** shall ensure that the local action groups either select one partner within the group as a lead partner in administrative and financial matters, or **that they** come together in a legally constituted common **public** structure. ***In either case, the relevant managing authority shall assess the competence of local action groups as regards programme management.***

Amendment 87

Proposal for a regulation

Part 2 – title 3 - chapter 2 - article 30 – paragraph 3

Text proposed by the Commission

3. The tasks of local action groups shall include the following:

(a) building the capacity of local actors to develop and implement operations;

(b) drawing up a non-discriminatory and transparent selection procedure and criteria for the selection of operations, which avoid conflicts of interest, that shall ensure that at least 50% of the votes in selection decisions are from the non public sector partners, providing for the possibility of appeal against selection decisions and

Amendment

3. The tasks of local action groups shall include, ***inter alia***, the following:

(a) building the capacity of local actors to develop and implement operations ***and foster their project and programme management capabilities***;

(b) drawing up a non-discriminatory and transparent selection procedure and criteria for the selection of operations, which avoid conflicts of interest, that shall ensure that at least 50 % of the votes in selection decisions are from the non public sector partners, ***namely business sector partners and NGOs***, providing for the possibility of appeal against selection decisions and

allowing selection by written procedure;

(c) ensuring coherence with the local development strategy when selecting operations, by prioritising them according to their contribution to meeting the strategies' objectives and targets;

(d) preparing and publishing calls for proposals or an ongoing project submission procedure, including definition of selection criteria;

(e) receiving applications for support and assessing them;

(f) selecting operations and fixing the amount of support and, where relevant, presenting the proposals to the responsible body for final verification of eligibility before approval;

(g) monitoring the implementation of the local development strategy and the operations supported and carrying out specific evaluation activities linked to the local development strategy.

allowing selection by written procedure;

(c) ensuring coherence with the local development strategy when selecting operations, **and eligible investments**, by prioritising them according to their contribution to meeting the strategies' objectives **action plan** and targets;

(d) preparing and publishing calls for proposals or an ongoing project submission procedure, including definition of selection criteria;

(e) receiving applications for support and assessing them;

(f) selecting operations and fixing the amount of support and, where relevant, presenting the proposals to the responsible body for final verification of eligibility before approval;

(g) monitoring the implementation of the local development strategy and the operations supported and carrying out specific evaluation activities linked to the local development strategy.

Amendment 88

Proposal for a regulation Part 2 – title 3 - chapter 2 - article 31

Text proposed by the Commission

Support from the **CSF** Funds for local development

Support for local development shall include:

(a) the costs of preparatory support;

(b) implementation of operations under the local development strategy;

Amendment

Support from the Funds **covered by the CPR** for **community-led** local development

Support for **community-led** local development shall include:

(a) the costs of preparatory support **for local development strategies, including support for local action groups whose local development strategies are not selected for funding by the selection committee set up under Article 29(3);**

(b) implementation of operations under the local development strategy;

(c) preparation and implementation of cooperation activities of the local action group;

(d) running costs and animation of the local development strategy up to the limit of 25 % of the total public expenditure incurred within the local development strategy.

(c) preparation and implementation of cooperation activities of the local action group;

(d) running costs and animation of the local development strategy up to the limit of 25 % of the total public expenditure incurred within the local development strategy;

(da) capacity building measures for the local actors involved in the local development strategy as regards planning, designing and implementing programmes.

Amendment 88 a

Proposal for a regulation

Part 1 – title 4 - article 32 – paragraph 1

Text proposed by the Commission

1. The **CSF** Funds may be used to support financial instruments under a programme, including when organised through funds of funds, in order to contribute to the achievement of specific objectives set out under a priority, based on an *ex ante* assessment ***which has identified*** market failures or sub-optimal investment situations, and investment needs.

Financial instruments may be combined with grants, interest rate subsidies and guarantee fee subsidies. In this case, separate records must be maintained for each form of financing.

The Commission shall be empowered to adopt delegated acts in accordance with Article 142 laying down detailed rules concerning ***the ex ante assessment of financial instruments***, the combination of support provided to final recipients through grants, interest rate subsidies, guarantee fee subsidies and financial instruments, additional specific rules on eligibility of expenditure and rules specifying the types

Amendment

1. The Funds ***covered by the CPR*** may be used to support financial instruments under a programme, including when organised through funds of funds, in order to contribute to the achievement of specific objectives set out under a priority ***or measure***, based on an *ex ante* assessment, ***that covers at least the elements set out in Annex XX, and establishes evidence of*** market failures or sub-optimal investment situations, and investment needs.

Financial instruments may be combined with grants, interest rate subsidies and guarantee fee subsidies. In this case, separate records must be maintained for each form of financing.

The Commission shall be empowered to adopt delegated acts in accordance with Article 142 laying down detailed rules concerning the combination of support provided to final recipients through grants, interest rate subsidies, guarantee fee subsidies and financial instruments, additional specific rules on eligibility of expenditure and rules specifying the types of activities which shall not be supported

of activities which shall not be supported through financial instruments.

through financial instruments.

Amendment 88 b

Proposal for a regulation

Part 1 – title 4 - article 32 – paragraph 3 a (new)

Text proposed by the Commission

Amendment

3a. Funding of undertakings in difficulties shall not be permitted.

Amendment 88 c

Proposal for a regulation

Part 1 – title 4 - article 33 – paragraph 1

Text proposed by the Commission

Amendment

1. In implementing Article 32, managing authorities may provide a financial contribution to the following financial instruments:

(a) financial instruments set up at Union level, managed directly or indirectly by the Commission;

(b) financial instruments set up at national, regional, transnational or cross-border level, managed by or under the responsibility of the managing authority.

1. In implementing Article 32, managing authorities may provide a financial contribution to the following financial instruments:

(a) financial instruments set up at Union level, managed directly or indirectly by the Commission;

(b) financial instruments set up at national, regional, transnational or cross-border level, managed by or under the responsibility of the managing authority.

The Commission shall be empowered to adopt delegated acts, in accordance with Article 142, laying down specific rules regarding financial instruments referred to in point (b) of the first subparagraph, as well as the products that may be delivered through such instruments.

Amendment 88 d

Proposal for a regulation

Part 1 – title 4 - article 33 – paragraph 2

Text proposed by the Commission

2. Title [VIII] of the Financial Regulation shall apply to financial instruments referred to in paragraph 1(a). Contributions from the **CSF** Funds to financial instruments under paragraph 1(a) shall be placed in separate accounts and used, in accordance with the objectives of the respective **CSF Funds**, to support actions and final recipients consistent with the programme or programmes from which such contributions are made.

Amendment

2. Title [VIII] of the Financial Regulation shall apply to financial instruments referred to in paragraph 1(a). Contributions from the Funds **covered by the CPR** to financial instruments under paragraph 1(a) shall be placed in separate accounts and used, in accordance with the objectives of the respective **Funds belonging to the Funds covered by the CPR**, to support actions and final recipients consistent with the programme or programmes from which such contributions are made.

Amendment 88 e

Proposal for a regulation

Part 1 – title 4 - article 33 – paragraph 3

Text proposed by the Commission

3. For financial instruments under paragraph 1(b), the managing authority may provide a financial contribution to the following financial instruments:

(a) financial instruments complying with the standard terms and conditions laid down by the Commission, by means of implementing acts in accordance with the examination procedure referred to in Article 143(3);

(b) already existing or newly created financial instruments which are specifically designed to achieve **the intended purpose and which respect the applicable Union and national rules**.

The Commission shall adopt delegated acts in accordance with Article 142 laying down the specific rules regarding certain types of financial instruments referred to

Amendment

3. For financial instruments under paragraph 1(b), the managing authority may provide a financial contribution to the following financial instruments:

(a) financial instruments complying with the standard terms and conditions laid down by the Commission, by means of implementing acts in accordance with the examination procedure referred to in Article 143(3);

(b) already existing or newly created financial instruments which are specifically designed to achieve **the specific objectives set out under a priority as provided for in Article 24(2)**.

deleted

in point (b), as well as the products that may be delivered through such instruments.

Amendment 88 f

Proposal for a regulation

Part 1 – title 4 - article 33 – paragraph 4

Text proposed by the Commission

4. When supporting financial instruments referred to in paragraph 1(b) the managing authority may:

(a) invest in the capital of existing or newly created legal entities, including those financed from other **CSF** Funds, dedicated to implementing financial instruments consistent with the objectives *of* the respective **CSF** Funds, which will undertake **implementations** tasks; the support to such investments shall be limited **to** the amounts necessary to implement new **financial instruments** consistent with the objectives of this Regulation; or

(b) entrust implementation tasks to:

- (i) the European Investment Bank;
- (ii) international financial institutions in which a Member State is a shareholder, or financial institutions established in a Member State aiming at the achievement of public interest under the control of a public authority, selected in accordance with applicable Union and national rules;
- (iii) a body governed by public or private law selected in accordance with applicable Union and national rules.

(c) undertake implementation tasks directly, in the case of financial instruments consisting solely of loans or guarantees.

Amendment

4. When supporting financial instruments referred to in paragraph 1(b) the managing authority may:

(a) invest in the capital of existing or newly created legal entities, including those financed from **one or more** other Funds **covered by the CPR or other EU instruments**, dedicated to implementing financial instruments consistent with the objectives **belonging to** the respective Funds **covered by the CPR**, which will undertake **implementation** tasks; the support **for** such investments shall be limited to the amounts necessary to implement new **investments in a manner that is** consistent with the objectives of this Regulation; or

(b) entrust implementation tasks to:

- (i) the European Investment Bank;
- (ii) international financial institutions in which a Member State is a shareholder, or financial institutions established in a Member State aiming at the achievement of public interest under the control of a public authority, selected in accordance with applicable Union and national rules;
- (iii) a body governed by public or private law selected in accordance with applicable Union and national rules.

(c) undertake implementation tasks directly, in the case of financial instruments consisting solely of loans or guarantees.

For the implementing arrangements under points(a) and (b) of the first subparagraph, the managing authority shall conclude a funding agreement with the entities to which implementation tasks are entrusted, setting out the terms and conditions for contributions from operational programmes to financial instruments, and the appropriate funding conditions and purpose of the financial instruments.

For implementing arrangements under 4 (c), the managing authority shall develop a specific strategy document, setting out the terms and conditions for contributions from operational programmes to financial instruments.

The Commission shall be empowered to adopt delegated acts in accordance with Article 142 laying down rules concerning funding agreements, the role and responsibility of the entities to which the implementation tasks are entrusted, as well as management costs and fees.

The Commission shall be empowered to adopt delegated, acts in accordance with Article 142, laying down rules concerning ***the minimum provisions to be included in funding agreements and strategy documents***, the role and responsibility of the entities to which the implementation tasks are entrusted, as well as management costs and fees.

Amendment 88 g

Proposal for a regulation

Part 1 – title 4 - article 33 – paragraph 5

Text proposed by the Commission

5. The entities referred to in paragraph 4(b)(i) and (ii), when implementing financial instruments through funds of funds, may further entrust part of the implementation to financial intermediaries provided that these entities ensure ***under their responsibility*** that the financial intermediaries satisfy the criteria laid down in [Articles 57 and 131 (1), (1a) and (3)] of the Financial Regulation. Financial intermediaries shall be selected on the basis of open, transparent, proportionate

Amendment

5. The entities referred to in paragraph 4(b)(i) and (ii), when implementing financial instruments through funds of funds, may further entrust part of the implementation to financial intermediaries provided that these entities ensure that the financial intermediaries satisfy the criteria laid down in [Articles 57 and 131 (1), (1a) and (3)] of the Financial Regulation. Financial intermediaries shall be selected on the basis of open, transparent, proportionate and non-discriminatory

and non-discriminatory procedures,
avoiding conflicts of interests.

procedures, avoiding conflicts of interests.

Amendment 88 h

Proposal for a regulation

Part 1 – title 4 - article 33 – paragraph 6

Text proposed by the Commission

6. The entities referred to in paragraph 4(b) to which implementation tasks have been entrusted shall open fiduciary accounts in their name and on behalf of the managing authority. The assets held on such ***fiduciary*** accounts shall be managed in accordance with the principle of sound financial management following appropriate prudential rules and shall have appropriate liquidity.

Amendment

6. The entities referred to in paragraph 4(b) to which implementation tasks have been entrusted shall open fiduciary accounts in their name and on behalf of the managing authority ***or define the financial instrument as a separate block of finance within a financial institution. The difference between the new funds invested in the financial instrument (including the contribution from programmes) and the original funds available from the financial institution shall be subject to separate accounting arrangements.*** The assets held on such fiduciary accounts ***and such separate blocks of finance*** shall be managed in accordance with the principle of sound financial management following appropriate prudential rules and shall have appropriate liquidity.

Amendment 88 i

Proposal for a regulation

Part 1 – title 4 - article 34 – title

Text proposed by the Commission

Implementation of certain financial instruments

Amendment

Management and control of financial instruments

Amendment 88 j

Proposal for a regulation

Part 1 – title 4 - article 34 – paragraph 1

Text proposed by the Commission

1. The bodies *accredited in accordance with Article 64* shall not carry out on-the spot verifications of operations comprising financial instruments implemented under Article 33(1)(a). They shall receive regular control reports from the bodies entrusted with the implementation of these financial instruments.

Amendment

1. *Bodies designated* in accordance *with Article 59 (3) of the Financial Regulation* shall not carry out on-the spot verifications of operations comprising financial instruments implemented under Article 33(1)(a). They shall receive regular control reports from the bodies entrusted with the implementation of these financial instruments.

Amendment 88 k

Proposal for a regulation

Part 1 – title 4 - article 34 – paragraph 2 a (new)

Text proposed by the Commission

Amendment

2a. The bodies responsible for the audit of programmes shall conduct audits at the level of final recipients only when the supporting documents are not available at the level of the financial instrument or managing authority or in the case of insufficient monitoring and verifications by the bodies that implement financial instruments or of legitimate doubt as to whether the documents available at the level of the managing authority or at the level of the bodies that implement financial instruments do not reflect the reality of the support provided through the respective financial instrument.

Amendment 88 l

Proposal for a regulation

Part 1 – title 4 - article 34 – paragraph 3

Text proposed by the Commission

3. The Commission shall be empowered to adopt delegated acts in accordance with Article 142 **concerning** the **arrangements for** management and control of financial instruments implemented under **Articles 33(1)(a) and 33(4)(b)(i), (ii) and (iii).**

Amendment

3. The Commission shall be empowered to adopt delegated acts, in accordance with Article 142, **laying down detailed rules on** the management and control of financial instruments implemented under Article 33(1)(a) **and subpoints (i), (ii) and (iii) of Article 33(4)(b).**

Amendment 88 m

Proposal for a regulation

Part 1 – title 4 - article 35 – paragraph 1

Text proposed by the Commission

1. As regards financial instruments **referred to in Article 33(1)(a)**, the request for payment shall include and separately disclose the total amount of support paid to the financial instrument.

Amendment

1. As regards financial instruments, the request for payment shall include and separately disclose the total amount of support paid to the financial instrument.

Amendment 88 n

Proposal for a regulation

Part 1 – title 4 - article 35 – paragraph 5

Text proposed by the Commission

5. The Commission shall be empowered to adopt, by means of delegated acts in accordance with Article 142, the specific rules concerning payments and withdrawal of payments to financial instruments and possible consequences in respect of requests **of** payments.

Amendment

5. The Commission shall be empowered to adopt, by means of delegated acts in accordance with Article 142, **laying down** the specific rules concerning payments and withdrawal of payments to financial instruments and **the** possible consequences **of withdrawals** in respect of requests **for** payments.

Amendment 88 o

Proposal for a regulation

Part 1 – title 4 - article 36 – paragraph 1

Text proposed by the Commission

1. At closure of a programme, the eligible expenditure of the financial instrument shall be the total amount effectively paid or, in the case of guarantee funds committed, by the financial instrument within the eligibility period indicated in Article 55(2), corresponding to:

- (a) payments to final recipients;
- (b) resources committed for guarantee contracts, whether outstanding or already come to maturity, in order to honour possible guarantee calls for losses, calculated according to a prudent *ex ante* risk assessment, covering a multiple amount of underlying new loans or other risk-bearing instruments for new investments in final recipients;
- (c) capitalised interest rate subsidies or guarantee fee subsidies, due to be paid for a period not exceeding 10 years after the eligibility period laid down in Article 55(2), used in combination with financial instruments, paid into an escrow account specifically set up for that purpose, for effective disbursement after the eligibility period laid down in Article 55(2), but in respect of loans or other risk bearing instruments disbursed for investments in final recipients within the eligibility period laid down in Article 55(2);
- (d) reimbursement of management costs incurred or payment of management fees of the financial instrument.

Amendment

1. At closure of a programme, the eligible expenditure of the financial instrument shall be the total amount effectively paid or, in the case of guarantee funds committed, by the financial instrument within the eligibility period indicated in Article 55(2), corresponding to:

- (a) payments to final recipients;
- (b) resources committed for guarantee contracts, whether outstanding or already come to maturity, in order to honour possible guarantee calls for losses, calculated according to a prudent *ex ante* risk assessment, covering a multiple amount of underlying new loans or other risk-bearing instruments for new investments in final recipients;
- (c) capitalised interest rate subsidies or guarantee fee subsidies, due to be paid for a period not exceeding 10 years after the eligibility period laid down in Article 55(2), used in combination with financial instruments, paid into an escrow account ***or into a bank account set up on terms providing equivalent guarantees for payments from the Funds covered by the CPR***, specifically set up for that purpose for effective disbursement after the eligibility period laid down in Article 55(2), but in respect of loans or other risk-bearing instruments disbursed for investments in final recipients within the eligibility period laid down in Article 55(2);
- (d) reimbursement of management costs incurred or payment of management fees of the financial instrument.

Amendment 88 p

Proposal for a regulation

Part 1 – title 4 - article 36 – paragraph 2

Text proposed by the Commission

2. In the case of equity-based instruments and micro-credit, capitalised management costs or fees due to be paid for a period not exceeding 5 years after the eligibility period laid down in Article 55(2), in respect of investments in final recipients which occurred within that eligibility period and which cannot be covered by Articles 37 and 38, may be considered as eligible expenditure when paid into an escrow account specifically set up for that purpose.

Amendment

2. In the case of equity-based instruments and micro-credit, capitalised management costs or fees due to be paid for a period not exceeding 5 years after the eligibility period laid down in Article 55(2), in respect of investments in final recipients which occurred within that eligibility period and which cannot be covered by Articles 37 and 38, may be considered as eligible expenditure when paid into an escrow account ***or into a bank account set up on terms providing equivalent guarantees,*** specifically set up for that purpose.

Amendment 88 q

Proposal for a regulation

Part 1 – title 4 - article 36 – paragraph 4

Text proposed by the Commission

4. The Commission shall be empowered to adopt delegated acts in accordance with Article 142 concerning the establishment of a system of capitalisation of annual instalments for interest rate subsidies and guarantee fee subsidies.

Amendment

4. The Commission shall be empowered to adopt delegated acts in accordance with Article 142 ***laying down the specific rules*** concerning the establishment of a system of capitalisation of annual instalments for interest rate subsidies and guarantee fee subsidies.

Amendment 88 r

Proposal for a regulation

Part 1 – title 4 - article 37 – paragraph 1

Text proposed by the Commission

1. Support from the **CSF** Funds paid to financial instruments shall be placed in

Amendment

1. Support from the Funds ***covered by the CPR*** paid to financial instruments shall be

interest-bearing accounts domiciled within financial institutions in Member States **or** invested on a temporary basis according to the principle of sound financial management.

placed in interest-bearing accounts domiciled within financial institutions in Member States, **and may be** invested on a temporary basis **in accordance with** the principle of sound financial management.

Amendment 88 s

Proposal for a regulation

Part 1 – title 4 - article 38 – title

Text proposed by the Commission

Re-use of resources attributable to the support from the *CSF Funds* until closure of the programme

Amendment

Re-use of resources attributable to the support from the Funds covered by the *CPR* until the end of the eligibility period

Amendment 88 t

Proposal for a regulation

Part 1 – title 4 - article 38 – paragraph 1

Text proposed by the Commission

1. Capital resources paid back to financial instruments from investments or from the release of resources committed for guarantee contracts, which are attributable to the support from the **CSF Funds**, shall be re-used for further investments through the same or other financial instruments, in accordance with the **aims** of the programme or programmes.

Amendment

1. Capital resources paid back to financial instruments from investments or from the release of resources committed for guarantee contracts, which are attributable to the support from the Funds **covered by the CPR**, shall be re-used for further investments through the same or other financial instruments, in accordance with the **thematic and specific objectives** of the programme or programmes.

Amendment 88 u

Proposal for a regulation

Part 1 – title 4 - article 38 – paragraph 2

Text proposed by the Commission

2. Gains and other earnings or yields, including interest, guarantee fees, dividends, capital gains or any other

Amendment

2. Gains and other earnings or yields, including interest, guarantee fees, dividends, capital gains or any other

income receipts generated by investments, attributable to the support from the **CSF** Funds to the financial instrument, shall be used for the following purposes, where applicable, up to the amounts necessary:

- (a) reimbursement of management costs incurred and payment of management fees of the financial instrument;
- (b) preferential remuneration of investors operating under the market economy investor principle, who provide counterpart resources to the support from the **CSF** Funds to the financial instrument or who co-invest at the level of final recipients;

- (c) further investments through the same or other financial instruments, in accordance with the **aims** of the programme or programmes.

income receipts generated by investments, attributable to the support from the Funds **covered by the CPR** to the financial instrument, shall be used for the following purposes, where applicable, up to the amounts necessary:

- (a) reimbursement of management costs incurred and payment of management fees of the financial instrument;
- (b) preferential remuneration of investors operating under the market economy investor principle, who provide counterpart resources to the support from the Funds **covered by the CPR** to the financial instrument or who co-invest at the level of final recipients;

(ba) Preferential remuneration shall not exceed what is necessary to create the incentives for attracting private counterpart resources, provided by private investors or by public investors operating under the market economy principle, ensuring alignment of interest through an appropriate sharing of risk and profit; such preferential remuneration must not over-compensate investors, must be determined on a normal commercial basis, be compatible with EU state aid rules and its need must have been established as part of the ex ante assessment;

- (c) further investments through the same or other financial instruments, in accordance with the **thematic and specific objectives** of the programme or programmes.

(ca) infrastructure projects.

Amendment 88 v

Proposal for a regulation Part 1 – title 4 - article 39

Text proposed by the Commission

Use of legacy resources after *closure of the programme*

Member States shall adopt the necessary measures to ensure that the capital resources and gains and other earnings or yields attributable to the support from the **CSF** Funds to financial instruments are used in accordance with the *aims* of the programme for a period of at least 10 years after the closure of the programme.

Amendment

Use of legacy resources after *the end of the eligibility period*

Member States shall adopt the necessary measures to ensure that the capital resources and gains and other earnings or yields attributable to the support from the Funds ***covered by the CPR*** to financial instruments, are used in accordance with the ***thematic and specific objectives*** of the programme for a period of at least 10 years after the closure of the programme. ***Those measures may also provide for the use of legacy resources to cover management fees.***

Amendment 88 w

Proposal for a regulation Part 1 – title 4 - article 40 – paragraph 1

Text proposed by the Commission

1. The managing authority shall send to the Commission a specific report covering the operations comprising financial instruments as an annex ***to*** the annual implementation report.

Amendment

1. The managing authority shall send to the Commission a specific report covering the operations comprising financial instruments as an annex ***together with*** the annual implementation report ***in order to prevent duplication and additional administrative burden.***

Amendment 88 x

Proposal for a regulation Part 1 – title 4 - article 40 – paragraph 2

Text proposed by the Commission

2. The report referred to in paragraph 1 shall include, for each financial instrument,

Amendment

2. The report referred to in paragraph 1 shall include, for each financial instrument,

the following information:

(a) identification of the programme and of the priority from which support from the **CSF** Funds is provided;

(b) description of the financial instrument and implementation arrangements;

(c) identification of the bodies to whom implementation tasks have been entrusted;

(d) total amount of support by programme and priority or measure to the financial instrument included in requests for payment submitted to the Commission;

(e) total amount of support paid or committed in guarantee contracts by the financial instrument to the final recipients by programme and priority or measure included in requests for payment submitted to the Commission;

(f) revenues of, and repayments to, the financial instrument;

(g) **multiplier** effect of investments made by the financial instrument and value of investments and participations;

(h) contribution of the financial instrument to the achievement of the indicators of the programme and of the priority concerned.

the following information:

(a) identification of the programme and of the priority from which support from the Funds **covered by the CPR** is provided;

(b) description of the financial instrument and implementation arrangements;

(c) identification of the bodies to whom implementation tasks have been entrusted;

(d) total amount of support by programme and priority or measure to the financial instrument included in requests for payment submitted to the Commission;

(da new) identification of the beneficiaries and the amount of public funding allocated to them;

(e) total amount of support paid or committed in guarantee contracts by the financial instrument to the final recipients by programme and priority or measure included in requests for payment submitted to the Commission;

(f) revenues of, and repayments to, the financial instrument;

(g) **leverage** effect of investments made by the financial instrument and value of investments and participations;

(h) contribution of the financial instrument to the achievement of the indicators of the programme and of the priority concerned.

Amendment 88 y

Proposal for a regulation

Part 1 – title 4 - article 40 – paragraph 2a (new)

Text proposed by the Commission

Amendment

2a. The Commission shall annually synthesise reporting information regarding the use of financial instruments across different Funds covered by the CPR, thematic objectives and Member

States.

Amendment 88 z

Proposal for a regulation

Part 1 – title 4 - article 40 – paragraph 2b (new)

Text proposed by the Commission

Amendment

2b. The report referred to in paragraph 2a shall be made public in its entirety.

Amendment 88 za

Proposal for a regulation

Part 1 – title 4 - article 40 – paragraph 3

Text proposed by the Commission

Amendment

3. The Commission shall adopt, by means of implementing act, in accordance with the examination procedure referred to in Article 143(3), ***the uniform conditions concerning the monitoring and provision of monitoring information*** to the Commission, including in respect of financial instruments referred to in Article 33(1)(a).

3. The Commission shall adopt, by means of implementing act, in accordance with the examination procedure referred to in Article 143(3), ***models for reporting on financial instruments*** to the Commission, including in respect of financial instruments referred to in Article 33(1)(a).

Amendment 89

Proposal for a regulation

Part 2 – title 5 - chapter 1 - section 1 - article 42 – paragraph 1

Text proposed by the Commission

Amendment

1. The monitoring committee shall be composed of representatives of the managing authority and intermediate bodies and of representatives of the partners. Each member of the monitoring committee shall have a voting right.

1. The monitoring committee shall be composed of representatives of the managing authority and intermediate bodies and of representatives of the ***relevant*** partners ***involved, in accordance with Article 5. Partners delegated to be part of the monitoring committee shall be selected through transparent processes.*** Each member of the monitoring committee

The monitoring committee of a programme under the European territorial cooperation goal shall also include representatives of any third country participating in that programme.

shall have a voting right.

The monitoring committee of a programme under the European territorial cooperation goal shall also include representatives of any third country participating in ***and making a financial contribution to*** that programme ***and may include representatives of the EGTC in the programme area.***

Amendment 90

Proposal for a regulation

Part 2 – title 5 - chapter 1 - section 1 - article 42 – paragraph 1 a (new)

Text proposed by the Commission

Amendment

1a. The list of members of the monitoring committee shall be published.

Amendment 91

Proposal for a regulation

Part 2 – title 5 - chapter 1 - section 1 - article 43 – paragraph 2

Text proposed by the Commission

Amendment

2. The monitoring committee shall examine in detail all issues that affect the performance of the programme.

2. The monitoring committee shall examine in detail all issues that affect the performance of the programme, ***as well as the conclusions of the performance reviews.***

Amendment 92

Proposal for a regulation

Part 2 – title 5 - chapter 1 - section 1 - article 43 – paragraph 4

Text proposed by the Commission

Amendment

4. The monitoring committee may issue recommendations to the managing authority regarding implementation of the programme and ***its evaluation***. It shall

4. The monitoring committee may issue recommendations to the managing authority regarding implementation of the programme and ***ways of reducing the***

monitor actions taken as a result of its recommendations.

administrative burden on beneficiaries. It shall monitor actions taken as a result of its recommendations.

Amendment 93

Proposal for a regulation

Part 2 – title 5 - chapter 1 - section 1 - article 43 – paragraph 4 a (new)

Text proposed by the Commission

Amendment

4a. The monitoring committee shall be involved in the preparation of the annual implementation reports of the programmes referred to in Article 44 and the progress reports referred to in Article 46.

Amendment 94

Proposal for a regulation

Part 2 – title 5 - chapter 1 - section 1 - article 44 – paragraph 2

Text proposed by the Commission

Amendment

2. Annual implementation reports shall set out information on implementation of the programme and its priorities by reference to the financial data, common and programme-specific indicators and quantified target values, including changes in result indicators, and the milestones defined in the performance framework. The data transmitted shall relate to values for indicators for fully implemented operations and also for ***selected*** operations. They shall also set out actions taken to fulfil the *ex ante* conditionalities and any issues which affect the performance of the programme, and the corrective measures taken.

2. Annual implementation reports shall set out ***basic*** information on implementation of the programme and its priorities by reference to the financial data, common and programme-specific indicators and quantified target values, including changes in result indicators, and the milestones defined in the performance framework. The data transmitted shall relate to values for indicators for fully implemented operations and also for operations ***which have been selected for support under a programme.*** They shall also set out actions taken to fulfil the ***relevant*** *ex ante* conditionalities ***in accordance with Article 17, to ensure the simplification of the administrative procedures*** and any issues which affect the performance of the programme, and the corrective measures taken. ***Where appropriate, a report, carried out in***

accordance with Article 40, covering the operations comprising financial instruments, shall be annexed to annual implementation reports.

Amendment 95

Proposal for a regulation

Part 2 – title 5 - chapter 1 - section 1 - article 44 – paragraph 3

Text proposed by the Commission

3. The annual implementation report submitted in 2017 shall set out and assess the information set out in paragraph 2 and progress towards achieving the objectives of the programme, including the contribution of the **CSF** Funds to changes in result indicators, when evidence is available from evaluations. It shall also assess the implementation of actions to take into account the principles set out in Articles 6, 7 and 8 and report on support used for climate change targets.

Amendment

3. The annual implementation report **to be** submitted in 2017 shall set out and assess the information set out in paragraph 2 and **any** progress towards achieving the objectives of the programme, including the contribution of the Funds **covered by the CPR** to changes in result indicators, when evidence is available from evaluations. It shall also assess the implementation of actions to take into account the principles set out in Articles 6, 7 and 8 and report on support used for climate change targets **and where appropriate the actions taken to reduce poverty.**

Amendment 96

Proposal for a regulation

Part 2 – title 5 - chapter 1 - section 1 - article 44 – paragraph 3 a (new)

Text proposed by the Commission

Amendment

3a. The annual implementation report shall assess the role of the partners referred to in Article 5 in the implementation of the programme.

Amendment 97

Proposal for a regulation

Part 2 – title 5 - chapter 1 - section 1 - article 44 – paragraph 6

Text proposed by the Commission

6. The Commission shall examine the annual implementation **report** and inform the Member State of its observations within two months of the receipt of the annual implementation report and within 5 months of receipt of the final report. Where the Commission does not provide observations within these deadlines, the reports shall be deemed to be accepted.

Amendment

6. The Commission shall examine the annual **and the final** implementation **reports** and inform the Member State of its observations within two months of the receipt of the annual implementation report and within 5 months of receipt of the final report. Where the Commission does not provide observations within these deadlines, the reports shall be deemed to be accepted.

Amendment 98

Proposal for a regulation

Part 2 – title 5 - chapter 1 - section 1 - article 44 – paragraph 7

Text proposed by the Commission

7. The Commission may issue recommendations to address any issues which affect the implementation of the programme. Where such recommendations are made, the managing authority shall inform the Commission within three months of the corrective measures taken.

Amendment

7. The Commission may issue recommendations to address any issues which affect the **management and** implementation of the programme. Where such recommendations are made, the managing authority shall inform the Commission within three months of the corrective measures taken.

Amendment 99

Proposal for a regulation

Part 2 – title 5 - chapter 1 - section 1 - article 44 – paragraph 8

Text proposed by the Commission

8. **A citizen's summary of the contents of** the annual and the final implementation reports shall be made public.

Amendment

8. The annual and the final implementation reports, **as well as a summary for citizens of their content** shall be made public.

Amendment 100

Proposal for a regulation

Part 2 – title 5 - chapter 1 - section 1 - article 45 – paragraph 5

Text proposed by the Commission

5. The Member State shall ensure that appropriate follow-up is given to any comments of the Commission ***following the meeting.***

Amendment

5. The Member State shall ensure that appropriate follow-up is given to any comments of the Commission ***within three months.***

Amendment 101

Proposal for a regulation

Part 2 – title 5 - chapter 1 - section 2 - article 46 – paragraph 2

Text proposed by the Commission

2. The progress report shall set out information on and assess:

(a) changes in the development needs in the Member State since the adoption of the Partnership Contract;

(b) progress towards achievement of the Union strategy for smart, sustainable and inclusive growth, in particular in respect of the milestones set out for each programme in the performance framework and the support used for climate change objectives;

(c) whether the actions taken to fulfil *ex ante* conditionalities not fulfilled at the date of adoption of the Partnership Contract have been implemented in accordance with the timetable established;

(d) implementation of mechanisms to ensure coordination between the ***CSF*** Funds and other Union and national funding instruments and with the EIB;

Amendment

2. The progress report shall set out information on and assess:

(a) changes in the development needs in the Member State since the adoption of the Partnership Contract;

(b) progress towards achievement of the Union strategy for smart, sustainable and inclusive growth, ***and towards reducing regional disparities,*** in particular in respect of the ***measurable*** milestones set out for each programme in the performance framework and the support used for climate change, ***resource efficiency and biodiversity-related*** objectives, ***as well as for reducing poverty, where applicable;***

(c) whether the actions taken to fulfil *ex ante* conditionalities not fulfilled at the date of adoption of the Partnership Contract have been implemented in accordance with the timetable established;

(d) implementation of mechanisms to ensure coordination between the Funds ***covered by the CPR*** and other Union and national funding instruments and with the EIB;

- (e) progress towards achievement of priority areas established for cooperation;
- (f) actions taken to reinforce the capacity of the Member State authorities and, where appropriate, beneficiaries to administer and use the **CSF** Funds;
- (g) actions planned and corresponding targets in the programmes to achieve a reduction in the administrative burden for beneficiaries;
- (h) the role of the partners referred in Article 5 in the implementation of the Partnership Contract.

- (e) progress towards achievement of priority areas established for cooperation;
- (f) actions taken to reinforce the capacity of the Member State authorities and, where appropriate, beneficiaries to administer and use the Funds ***covered by the CPR***;
- (g) actions planned and corresponding targets in the programmes to achieve a reduction in the administrative burden for beneficiaries;
- (h) the role of the partners referred in Article 5 ***and an assessment of this partnership*** in the implementation of the Partnership Contract;
- (ha) constraints met in the implementation of the Funds covered by the CPR.***

Amendment 102

Proposal for a regulation

Part 2 – title 5 - chapter 1 - section 2 - article 46 – paragraph 4

Text proposed by the Commission

4. In 2017 and 2019, the Commission shall prepare a strategic report summarising the progress reports of the Member States, which it shall submit to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions.

Amendment

4. In 2017 and 2019, the Commission shall prepare a strategic report summarising the progress reports of the Member States, which ***by 31 December 2017 and 31 December 2019, respectively***, it shall submit to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions.

Amendment 103

Proposal for a regulation

Part 2 – title 5 - chapter 1 - section 2 - article 46 – paragraph 5

Text proposed by the Commission

5. In 2018 and 2020, the Commission shall include in its Annual Progress Report to

Amendment

5. In 2018 and 2020, the Commission shall include in its Annual Progress Report to

the spring meeting of the European Council a section summarising the strategic report, in particular with regard to progress made towards Union strategy for smart, sustainable and inclusive growth.

the spring meeting of the European Council a section summarising the strategic report, in particular with regard to progress made towards **the** Union strategy for smart, sustainable and inclusive growth, **and the Flagship Initiatives established under that strategy**.

Amendment 104

Proposal for a regulation

Part 2 – title 5 - chapter 2 - article 47 – paragraph 1

Text proposed by the Commission

1. Evaluations shall be carried out to improve the quality of the design and implementation of programmes, as well as to assess their effectiveness, efficiency and impact. Impact of programmes shall be evaluated in accordance with the mission of the respective **CSF** Funds in relation to the targets for the Union strategy for smart, sustainable and inclusive growth as well as in relation to Gross Domestic Product (GDP) and unemployment, where appropriate.

Amendment

1. Evaluations shall be carried out to improve the quality of the design and implementation of programmes, as well as to assess their effectiveness, efficiency and impact. **In addition, the** impact of programmes shall be evaluated in accordance with the mission of the respective Funds **covered by the CPR** in relation to the targets for the Union strategy for smart, sustainable and inclusive growth as well as in relation to Gross Domestic Product (GDP), **regional and local needs, climate targets** and unemployment, where appropriate.

Amendment 105

Proposal for a regulation

Part 2 – title 5 - chapter 2 - article 47 – paragraph 2

Text proposed by the Commission

2. Member States shall provide the resources necessary for carrying out evaluations, **and** shall ensure that procedures are in place to produce and collect the data necessary for evaluations, including data related to common and where appropriate programme-specific indicators.

Amendment

2. Member States shall provide the resources necessary for carrying out evaluations, **in accordance with point (e) of Article 51(1), and** shall ensure that procedures are in place to produce and collect the data necessary for evaluations, including data related to common and where appropriate programme-specific

indicators.

Amendment 106

Proposal for a regulation

Part 2 – title 5 - chapter 2 - article 47 – paragraph 3

Text proposed by the Commission

3. Evaluations shall be carried out by experts that are functionally independent of the authorities responsible for programme implementation. The Commission shall provide guidance on how to carry out evaluations.

Amendment

3. Evaluations shall be carried out by experts that are functionally independent of the authorities responsible for programme implementation. The Commission shall provide guidance on how to carry out evaluations, ***immediately following the entry into force of this Regulation.***

Amendment 107

Proposal for a regulation

Part 2 – title 5 - chapter 2 - article 48 – paragraph 3

Text proposed by the Commission

3. *Ex ante* evaluations shall appraise:

- (a) the contribution to the Union strategy for smart, sustainable and inclusive growth, having regard to the selected thematic objectives and priorities, taking into account national and regional needs;
- (b) the internal coherence of the proposed programme or activity and its relation with other relevant instruments;
- (c) the consistency of the allocation of budgetary resources with the objectives of the programme;
- (d) the consistency of the selected thematic objectives, the priorities and corresponding objectives of the programmes with ***the Common Strategic Framework***, the

Amendment

3. *Ex ante* evaluations shall appraise:

- (a) the contribution to the Union strategy for smart, sustainable and inclusive growth, having regard to the selected thematic objectives and priorities, ***while*** taking into account national and regional needs, ***and ensuring a balance between those needs and Union objectives, including in terms of cohesion***;
- (b) the internal coherence of the proposed programme or activity and its relation with other relevant instruments;
- (c) the consistency of the allocation of budgetary resources with the objectives of the programme;
- (d) the consistency of the selected thematic objectives, the priorities and corresponding objectives of the programmes with ***this Regulation***, the Partnership Contract and

Partnership Contract and the *country-specific recommendations under Article 121(2) of the Treaty and the Council recommendations adopted under Article 148(4) of the Treaty*;

(e) the relevance and clarity of the proposed programme indicators;

(f) how the expected outputs will contribute to results;

(g) whether the quantified target values for indicators are realistic, having regard to the support from the *CSF Funds envisaged*;

(h) the rationale for the form of support proposed;

(i) the adequacy of human resources and administrative capacity for management of the programme;

(j) the suitability of the procedures for monitoring the programme and for collecting the data necessary to carry out evaluations;

(k) the suitability of the milestones selected for the performance framework;

(l) the adequacy of planned measures to promote equal opportunities between men and women and to *prevent* discrimination;

(m) the *adequacy of* planned measures to promote sustainable development.

the *National Reform Programmes*;

(e) the relevance and clarity of the proposed programme indicators;

(f) how the expected outputs will contribute to results;

(g) whether the quantified target values for indicators are realistic, having regard to the support *envisaged* from the Funds *covered by the CPR*;

(h) the rationale for the form of support proposed;

(i) the adequacy of human resources and administrative capacity for management of the programme;

(j) the suitability of the procedures for monitoring the programme and for collecting the data necessary to carry out evaluations;

(k) the suitability of the milestones selected for the performance framework;

(l) the adequacy of *any* planned measures to promote equal opportunities between men and women and to *combat* discrimination, *including measures to remove barriers to accessibility for persons with disabilities*;

(m) the planned measures to promote sustainable development;

(ma) measures taken to involve partners in accordance with Article 4(4) and Article 5;

(mb) measures aimed at simplifying the administrative procedures.

Amendment 108

Proposal for a regulation

Part 2 – title 5 - chapter 2 - article 48 – paragraph 4

Text proposed by the Commission

4. The *ex ante* evaluation shall incorporate, where appropriate, the requirements for Strategic Environmental Assessment set out in implementation of Directive 2001/42/EC of the European Parliament and of the Council of 27 June 2001 on the assessment of the effects of certain plans and programmes on the environment¹.

Amendment

4. The *ex ante* evaluation shall incorporate, where appropriate, the requirements for Strategic Environmental Assessment set out in implementation of Directive 2001/42/EC of the European Parliament and of the Council of 27 June 2001 on the assessment of the effects of certain plans and programmes on the environment¹ **and shall include climate change mitigation assessments of the programmes.**

Amendment 109

Proposal for a regulation

Part 2 – title 5 - chapter 2 - article 49 – paragraph 3

Text proposed by the Commission

3. During the programming period, managing authorities shall **carry out** evaluations including evaluations to assess effectiveness, efficiency and impact, for each programme on the basis of the evaluation plan. At least once during the programming period, an evaluation shall assess how support from the **CSF** Funds has contributed to the objectives for each priority. All evaluations shall be examined by the monitoring committee and sent to the Commission.

Amendment

3. During the programming period, managing authorities shall **ensure that** evaluations **are carried out**, including evaluations to assess effectiveness, efficiency and impact, for each programme on the basis of the evaluation plan. At least once during the programming period, an evaluation shall assess how support from the Funds **covered by the CPR** has contributed to the objectives for each priority. All evaluations shall be examined by the monitoring committee and sent to the Commission.

Amendment 110

Proposal for a regulation

Part 2 – title 5 - chapter 2 - article 49 – paragraph 3 a (new)

Text proposed by the Commission

Amendment

3a. In line with the findings of the evaluation referred to in paragraph 3, managing authorities shall make the necessary changes and improvements to each programme's mechanisms and implementing procedures.

Amendment 111

Proposal for a regulation

Part 2 – title 5 - chapter 2 - article 50

Text proposed by the Commission

Amendment

Ex post evaluation

Ex post evaluation

The *ex post* evaluations shall be carried out by the Commission or by the Member States, in close cooperation. *Ex post* evaluations shall ***examine*** the effectiveness and efficiency of the ***CSF*** Funds and their contribution to the Union strategy for smart, sustainable and inclusive growth in accordance with specific requirements established in ***the*** Fund-specific rules. *Ex post* evaluations shall be completed by 31 December 2023.

The *ex post* evaluations shall be carried out by the Commission or by the Member States, in close cooperation. *Ex post* evaluations shall ***involve examining*** the effectiveness and efficiency of the Funds ***covered by the CPR*** and their contribution to the Union strategy for smart, sustainable and inclusive growth in accordance with ***the relevant flagships targets, the contribution to addressing regional and local needs, as well as*** specific requirements established in the Fund-specific rules. ***Ex post evaluations shall also contain, where appropriate, an assessment of the constraints upon the implementation of the programmes for the Funds covered by the CPR. Ex post*** evaluations shall be completed by 31 December 2023. ***For each Fund of the Funds covered by the CPR, the Commission shall prepare yearly synthesis and evaluation reports summarising ex-post evaluations. It shall submit those reports to the European***

Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, and the reports shall be completed by 30 June 2024.

Amendment 112

Proposal for a regulation

Part 2 – title 6 - article 51 – paragraph 1

Text proposed by the Commission

1. At the initiative of, or on behalf of the Commission, the **CSF** Funds may support the preparatory, monitoring, administrative and technical assistance, evaluation, audit and control measures necessary for implementing this Regulation.

Those measures may include but not limited to:

- (a) assistance for project preparation and appraisal, including with the EIB;
- (b) support for institutional strengthening and administrative capacity-building for the effective management of the **CSF** Funds;
- (c) studies linked to the Commission's reporting on the **CSF** Funds and the cohesion report;
- (d) measures related to the analysis, management, monitoring, information exchange and implementation of the **CSF** Funds, as well as measures relating to the implementation of control systems and technical and administrative assistance;
- (e) evaluations, expert reports, statistics and studies, including those of a general nature, concerning the current and future operation of the **CSF** Funds, which may be carried out where appropriate by the EIB;

Amendment

1. At the initiative of, or on behalf of the Commission, the Funds ***covered by the CPR*** may support the preparatory, monitoring, administrative and technical assistance, evaluation, audit and control measures necessary for implementing this Regulation.

Those measures may include but not limited to:

- (a) assistance for project preparation and appraisal, including with the EIB;
- (b) support for institutional strengthening and administrative capacity-building for the effective management of the Funds ***covered by the CPR***;
- (c) studies linked to the Commission's reporting on the Funds ***covered by the CPR*** and the cohesion report;
- (d) measures related to the analysis, management, monitoring, information exchange and implementation of the Funds ***covered by the CPR***, as well as measures relating to the implementation of control systems and technical and administrative assistance;
- (e) evaluations, expert reports, statistics and studies, including those of a general nature, concerning the current and future operation of the Funds ***covered by the CPR***, which may be carried out where

(f) actions to disseminate information, support networking, carry out communication activities, raise awareness and promote cooperation and exchange of experience, including with third countries. To bring about greater efficiency in communication to the public at large and stronger synergies between the communication activities undertaken at the initiative of the Commission, the resources allocated to communication actions under this Regulation shall also contribute to the corporate communication of the political priorities of the European Union ***as far as they*** are related to the general objectives of this Regulation;

(g) the installation, operation and interconnection of computerised systems for management, monitoring, audit, control and evaluation;

(h) actions to improve evaluation methods and the exchange of information on evaluation practices;

(i) actions related to audit;

(j) the strengthening of national and regional capacity regarding investment planning, needs assessment, preparation, design and implementation of financial instruments, joint action plans and major projects, including joint initiatives with the EIB.

appropriate by the EIB;

(f) actions to disseminate information, support networking, carry out communication activities, raise awareness and promote cooperation and exchange of experience, including with third countries. To bring about greater efficiency in communication to the public at large and stronger synergies between the communication activities undertaken at the initiative of the Commission, the resources allocated to communication actions under this Regulation shall also contribute to ***covering*** the corporate communication of the political priorities of the European Union ***provided that such priorities*** are related to the general objectives of this Regulation;

(g) the installation, operation and interconnection of computerised systems for management, monitoring, audit, control and evaluation;

(h) actions to improve evaluation methods and the exchange of information on evaluation practices;

(i) actions related to audit;

(j) the strengthening of national and regional capacity regarding investment planning, needs assessment, preparation, design and implementation of financial instruments, joint action plans and major projects, including joint initiatives with the EIB;

(ja) the strengthening of the capacity and competence of the partners referred to in Article 5 and their umbrella organisations, including their continuous training and the formation of project managers or administrators; assistance may also include exchanges of views and cooperation between partners working on specific areas in existing and new thematic networks.

Amendment 113

Proposal for a regulation

Part 2 – title 6 - article 52 – paragraph 1

Text proposed by the Commission

1. At the initiative of a Member State, the **CSF** Funds may support actions for preparation, management, monitoring, evaluation, information and communication, networking, complaint resolution, and control and audit. The **CSF** Funds may be used by the Member State to support actions for the reduction of administrative burden for beneficiaries, including electronic data exchange systems, and actions to reinforce the capacity of Member State authorities and beneficiaries to administer and use the **CSF** Funds. These actions may concern preceding and subsequent programming periods.

Amendment

1. At the initiative of a Member State, the Funds **covered by the CPR** may support actions for **capacity building** preparation, management, monitoring, evaluation, information and communication, networking, complaint resolution, and control and audit. The Funds **covered by the CPR** may be used by the Member State to support actions for the reduction of administrative burden for beneficiaries, including electronic data exchange systems, and actions to reinforce the capacity of Member State authorities, **including local and regional public authorities** and beneficiaries to administer and use the Funds **covered by the CPR**. These actions may concern preceding and subsequent programming periods. **The technical assistance resources may also contribute to capacity building for the partners referred to in Article 5, and thereby give them the opportunity to fulfil their responsibilities. The exchange of views and best practices amongst local action groups shall be promoted at national level.**

Amendment 114

Proposal for a regulation

Part 2 – title 6 - article 52 – paragraph 2

Text proposed by the Commission

2. The Fund-specific rules may add or exclude actions which may be financed by the technical assistance of each **CSF** Fund.

Amendment

2. The Fund-specific rules may add or exclude actions which may be financed by the technical assistance of each Fund **of the Funds covered by the CPR**.

Amendment 115

Proposal for a regulation

Part 2 – title 7 - chapter 1 - article 54 – paragraph 1

Text proposed by the Commission

1. Net revenue generated after completion of an operation over a specific reference period shall be determined in advance by one of the following methods:

- (a) application of a flat rate revenue percentage for the type of operation concerned;
- (b) calculation of the current value of the net revenue of the operation, taking into account the application of the polluter-pays principle and, if appropriate, considerations of equity linked to the relative prosperity of the Member State concerned.

The eligible expenditure of the operation to be co-financed shall not exceed the current value of the investment cost of the operation less the current value of the net revenue, determined according to one of these methods.

The Commission shall be empowered to adopt delegated acts in accordance with Article 142 concerning the definition of the flat rate referred to in point (a) *above*.

The Commission shall adopt the methodology under point (b) by means of implementing acts in accordance with the examination procedure referred to in Article 143(3).

Amendment

1. Net revenue generated after completion of an operation over a specific reference period shall be determined in advance by one of the following methods:

- (a) application of a flat rate revenue percentage for the type of operation concerned;
- (b) calculation of the current value of the net revenue of the operation, taking into account the application of the polluter-pays principle and, if appropriate, considerations of equity linked to the relative prosperity of the Member State concerned.

The eligible expenditure of the operation to be co-financed shall not exceed the current value of the investment cost of the operation less the current value of the net revenue, determined according to one of these methods.

The Commission shall be empowered to adopt delegated acts in accordance with Article 142 concerning the definition of the flat rate referred to in point (a) ***of the first subparagraph and the method referred to in point (b) of the first subparagraph.***

deleted

Amendment 116

Proposal for a regulation

Part 2 – title 7 - chapter 1 - article 54 – paragraph 3

Text proposed by the Commission

3. Paragraphs 1 and 2 shall apply only to operations whose total cost exceeds EUR 1 000 000.

Amendment

3. Paragraphs 1 and 2 shall apply only to operations whose total **eligible** cost exceeds EUR 1 000 000.

Amendment 117

Proposal for a regulation

Part 2 – title 7 - chapter 2 - article 55 – paragraph 1

Text proposed by the Commission

1. The eligibility of expenditure shall be determined on the basis of national rules, except where specific rules are laid down in or on the basis of this Regulation or the Fund-specific rules.

Amendment

1. The eligibility of expenditure shall be determined on the basis of national rules, except where specific rules are laid down in, or on the basis of, this Regulation or the Fund-specific rules. ***Rules on eligibility of expenditure shall guarantee an equality of treatment between PPP projects and projects under a public management contract.***

Amendment 118

Proposal for a regulation

Part 2 – title 7 - chapter 2 - article 55 – paragraph 6

Text proposed by the Commission

6. Net revenue directly generated by an operation during its implementation which has not been taken into account at the time of approval of the operation, shall be deducted from the eligible expenditure of the operation in the final payment claim submitted by the beneficiary. This rule shall not apply to financial instruments and prizes.

Amendment

6. Net revenue directly generated by an operation during its implementation which has not been taken into account at the time of approval of the operation, shall be deducted from the eligible expenditure of the operation ***no later than*** in the final payment claim submitted by the beneficiary. This rule shall not apply to financial instruments and prizes.

Amendment 119

Proposal for a regulation

Part 2 – title 7 - chapter 2 - article 58

Text proposed by the Commission

Flat rate financing for indirect costs for grants

Where the implementation of an operation gives rise to indirect costs, they may be calculated as a flat rate in one of the following ways:

- (a) a flat rate of up to **20 %** of eligible direct costs, where the rate is calculated on the basis of a fair, equitable and verifiable calculation method or a method applied under schemes for grants funded entirely by the Member State for a similar type of operation and beneficiary;
- (b) a flat rate of up to **15 %** of eligible direct staff costs;
- (c) a flat rate applied to eligible direct costs based on existing methods and corresponding rates, applicable in Union policies for a similar type of operation and beneficiary.

The Commission shall be empowered to adopt delegated acts in accordance with Article 142 concerning the definition of the flat rate and the related methods referred to in point (c) above.

Amendment

Flat rate financing for indirect costs for grants

Where the implementation of an operation gives rise to indirect costs, they may be calculated as a flat rate in one of the following ways:

- (a) a flat rate of up to **25%** of eligible direct costs, where the rate is calculated on the basis of a fair, equitable and verifiable calculation method or a method applied under schemes for grants funded entirely by the Member State for a similar type of operation and beneficiary;
- (b) a flat rate of up to **20%** of eligible direct staff costs;
- (c) a flat rate applied to eligible direct costs based on existing methods and corresponding rates, applicable in Union policies for a similar type of operation and beneficiary.

The Commission shall be empowered to adopt delegated acts in accordance with Article 142 concerning the definition of the flat rate and the related methods referred to in point (c) above.

Amendment 120

Proposal for a regulation

Part 2 – title 7 - chapter 2 - article 59 – paragraph 3

Text proposed by the Commission

The following costs shall not be eligible for a contribution from the **CSF** Funds:

- (a) interest on debt;

Amendment

The following costs shall not be eligible for a contribution from the Funds ***covered by the CPR***:

- (a) interest on debt;

(b) the purchase of land not built on and land built on ***in the amount*** exceeding 10% of the total eligible expenditure for the operation concerned. In exceptional and duly justified cases, a higher percentage may be permitted for operations concerning environmental conservation;

(c) value added tax. However, VAT amounts shall be eligible where they are not recoverable under national VAT legislation ***and are paid by a beneficiary other than non-taxable person as defined in the first subparagraph of Article 13(1) of Directive 2006/112/EC, provided that such VAT amounts are not incurred in relation to the provision of infrastructure.***

(b) the purchase of land not built on and land built on ***equivalent to that of land not built on and*** exceeding 10% of the total eligible expenditure for the operation concerned. In exceptional and duly justified cases, a higher percentage may be permitted for operations concerning environmental conservation;

(c) value added tax. However, VAT amounts shall be eligible where they are not recoverable under national VAT legislation.

Amendment 121

Proposal for a regulation

Part 2 – title 7 - chapter 2 - article 60 – paragraph 2

Text proposed by the Commission

2. The managing authority may accept that an operation is implemented outside the programme area but within the Union, provided that all the following conditions are satisfied:

(a) the operation is for the benefit of the programme area;

(b) the total amount allocated under the programme to operations located outside the programme area ***does not exceed*** 10 % of the support from the ERDF, Cohesion Fund and EMFF at the level of the priority, or ***3%*** of the support from the EAFRD at the level of the programme;

Amendment

2. The managing authority may accept that an operation is implemented outside the programme area but within the Union, provided that all the following conditions are satisfied:

(a) the operation is for the benefit of the programme area;

(b) the total amount allocated under the programme to operations located outside the programme area ***is not less than 1 % but not more than*** 10 % of the support from the ERDF, Cohesion Fund and EMFF at the level of the priority, or ***not more than 4%*** of the support from the EAFRD at the level of the programme; ***Such amounts may be allocated to actions referred to in points (c)(v) and (vi) of Article 87(2);***

(c) the monitoring committee has given its agreement to the operation or types of operations concerned;

(d) the obligations of the authorities for the programme in relation to management, control and audit concerning the operation are fulfilled by the authorities responsible for the programme under which that operation is supported or they enter into agreements with authorities in the area in which the operation is implemented.

(c) the monitoring committee has given its agreement to the operation or types of operations concerned;

(d) the obligations of the authorities for the programme in relation to management, control and audit concerning the operation are fulfilled by the authorities responsible for the programme under which that operation is supported or they enter into agreements with authorities in the area in which the operation is implemented.

Amendment 122

Proposal for a regulation

Part 2 – title 7 - chapter 2 - article 61 – paragraph 1

Text proposed by the Commission

1. An operation comprising investment in infrastructure or productive investment shall repay the contribution from the **CSF** Funds if within **five** years **from** the final payment to the beneficiary or within the period of time set out in the State aid rules, where applicable, it is subject to:

(a) a cessation or relocation of a productive activity;

(b) a change in ownership of an item of infrastructure which gives to a firm or a public body an undue advantage; or

(c) a substantial change affecting its nature, objectives or implementation conditions which would result in undermining its original objectives.

Sums unduly paid in respect of the operation shall be recovered by the Member State.

Amendment

1. An operation comprising investment in infrastructure or productive investment shall repay the contribution from the Funds **covered by the CPR** if within **ten** years **of** the final payment to the beneficiary or within the period of time set out in the State aid rules, where applicable, it is subject to:

(a) a cessation or relocation of a productive activity **to another region, Member state, or to an area outside the Union; relocation within the same region shall constitute an exception to this rule;**

(b) a change in ownership of an item of infrastructure which gives to a firm or a public body an undue advantage; or

(c) a substantial change affecting its nature, objectives or implementation conditions which would result in undermining its original objectives.

Sums unduly paid in respect of the operation shall be recovered by the Member State.

Amendment 123

Proposal for a regulation

Part 2 – title 8 - chapter 1 - article 62

Text proposed by the Commission

General principles of management and control systems

Management and control systems shall provide for:

- (a) a description of the functions of each body concerned in management and control, and the allocation of functions within each body;
- (b) compliance with the principle of separation of functions between and within such bodies;
- (c) procedures for ensuring the correctness and regularity of expenditure declared;
- (d) computerised systems for accounting, for the storage and transmission of financial data and data on indicators, for monitoring and for reporting;
- (e) systems for reporting and monitoring where the responsible body entrusts execution of tasks to another body;
- (f) arrangements for auditing the functioning of the management and control systems;
- (g) systems and procedures to ensure an adequate audit trail;
- (h) the prevention, detection and correction of irregularities, including fraud, and the recovery of amounts unduly paid, together with any interest.

Amendment

General principles of management and control systems

Management and control systems shall provide for:

- (a) a description of the functions of each body concerned in management and control, and the allocation of functions within each body;
- (b) compliance with the principle of separation of functions between and within such bodies;
- (c) procedures for ensuring the correctness and regularity of expenditure declared ***and respect for the principle of sound financial management;***
- (d) computerised systems for accounting, for the storage and transmission of financial data and data on indicators, for monitoring and for reporting;
- (e) systems for reporting and monitoring where the responsible body entrusts execution of tasks to another body;
- (f) arrangements for auditing the functioning of the management and control systems;
- (g) systems and procedures to ensure an adequate audit trail;
- (h) the prevention, detection and correction of irregularities, including fraud, and the recovery of amounts unduly paid, together with any interest.

Amendment 123 a

Proposal for a regulation

Part 2 – title 7 - chapter 2 - article 64

Text proposed by the Commission

Amendment

Article 64

deleted

Accreditation and coordination

- 1. In accordance with [Article 56(3)] of the Financial Regulation, each body responsible for the management and control of expenditure under the CSF Funds shall be accredited by formal decision of an accrediting authority at ministerial level.*
- 2. The accreditation shall be granted subject to the body complying with the accreditation criteria on internal environment, control activities, information and communication, and monitoring laid down in the Fund-specific rules.*
- 3. The accreditation shall be based on an opinion of an independent audit body that assesses the body's compliance with the accreditation criteria. The independent audit body shall carry out its work in accordance with internationally accepted audit standards.*
- 4. The accrediting authority shall supervise the accredited body and withdraw its accreditation by formal decision if one or more of the accreditation criteria are no longer met, unless the body takes the necessary remedial actions within a period of probation to be determined by the accrediting authority according to the severity of the problem. The accrediting authority shall notify the Commission immediately of the setting of any probation period for an accredited body and of any withdrawal decision.*

5. The Member State may designate a coordinating body whose responsibility is to liaise with and provide information to the Commission, promote the harmonised application of Union rules, establish a synthesis report providing an overview at national level of all management declarations and the audit opinions and coordinate the implementation of remedial actions as regards any deficiencies of a common nature.

6. Without prejudice to the rules laid down in the Fund-specific rules, the bodies to be accredited under paragraph 1 shall be:

(a) for the ERDF, ESF and the Cohesion Fund, the managing authorities and, where appropriate, the certifying authorities;

(b) for the EAFRD and the EMFF, the paying agencies.

Amendment 123 b

Proposal for a regulation

Part 2 – title 8 - chapter 3 - article 65 – paragraph 1

Text proposed by the Commission

1. The Commission shall satisfy itself on the basis of available information, including the ***accreditation procedure, annual management declaration, annual control reports, annual audit opinion,*** annual implementation report and audits carried out by national and Union bodies, that the Member States have set up management and control systems that comply with this Regulation and the Fund-specific rules and that these systems function effectively during the implementation of programmes.

Amendment

1. The Commission shall satisfy itself, on the basis of available information, including ***information on the designation of bodies responsible for the management and control of the Funds, the documents provided each year by the designated bodies under Article 59(5) of the Financial Regulation,*** control reports, annual implementation report and audits carried out by national and Union bodies, that the Member States have set up management and control systems that comply with this Regulation and the Fund-specific rules and that these systems function effectively during the implementation of programmes.

Amendment 124

Proposal for a regulation

Part 2 – title 8 - chapter 3 - article 65 – paragraph 2

Text proposed by the Commission

Without prejudice to audits carried out by Member States, Commission officials or authorised Commission representatives may carry out on-the-spot audits or checks upon giving *adequate* prior notice. The scope of such audits or checks may include, in particular, verification of the effective functioning of management and control systems in a programme or a part thereof, operations and assessment of the sound financial management of operations or programmes. Officials or authorised representatives of the Member State may take part in such audits.

Commission officials or authorised Commission representatives, duly empowered to carry out on-the-spot audits, shall have access to all records, documents and metadata, irrespective of the medium in which they are stored, relating to operations supported by the **CSF** Funds or to management and control systems. Member States shall provide copies of such records, documents and metadata to the Commission upon request.

The powers set out in this paragraph shall not affect the application of national provisions which reserve certain acts for agents specifically designated by national legislation. Commission officials and authorised representatives shall not take part, inter alia, in home visits or the formal questioning of persons within the framework of national legislation. However, they shall have access to the information thus obtained.

Amendment

Without prejudice to audits carried out by Member States, Commission officials or authorised Commission representatives may carry out on-the-spot audits or checks upon giving prior notice *of a minimum of 10 working days, except in urgent cases where no notice shall be required*. The scope of such audits or checks may include, in particular, verification of the effective functioning of management and control systems in a programme or a part thereof, operations and assessment of the sound financial management of operations or programmes. Officials or authorised representatives of the Member State may take part in such audits.

Commission officials or authorised Commission representatives, duly empowered to carry out on-the-spot audits, shall have access to all records, documents and metadata, irrespective of the medium in which they are stored, relating to operations supported by the Funds **covered by the CPR** or to management and control systems. Member States shall provide copies of such records, documents and metadata to the Commission upon request.

The powers set out in this paragraph shall not affect the application of national provisions which reserve certain acts for agents specifically designated by national legislation. Commission officials and authorised representatives shall not take part, inter alia, in home visits or the formal questioning of persons within the framework of national legislation. However, they shall have access to the information thus obtained.

Amendment 125

Proposal for a regulation

Part 2 – title 9 - chapter 1 - article 66 – paragraph 4

Text proposed by the Commission

Amendment

As regards the performance reserve, budget commitments shall follow the Commission decision approving the amendment of the programme.

deleted

Amendment 126

Proposal for a regulation

Part 2 – title 9 - chapter 1 - article 71 a (new)

Text proposed by the Commission

Amendment

Article 71a

General principle on the use of pre-financing

Pre-financing shall be used only for making payments to beneficiaries in the implementation of the programme. It shall be made available without delay to the body responsible for making payments to those beneficiaries.

Amendment 127

Proposal for a regulation

Part 2 – title 9 - chapter 1 - article 72 – paragraph 2

Text proposed by the Commission

Amendment

2. Pre-financing shall be used only for making payments to beneficiaries in the implementation of the programme. It shall be made available without delay to the responsible body for this purpose.

deleted

Amendment 128

Proposal for a regulation

Part 2 – title 9 - chapter 1 - article 74 – paragraph 1

Text proposed by the Commission

1. The payment deadline for an interim payment claim may be interrupted by the authorising officer by delegation within the meaning of the Financial Regulation for a maximum period of **nine** months if:

(a) following information provided by a national or Union audit body, there is evidence to suggest a significant deficiency in the functioning of the management and control system;

(b) the authorising officer by delegation has to carry out additional verifications following information coming to his attention alerting him that expenditure in a request for payment is linked to an irregularity having serious financial consequences;

(c) there is a failure to submit one of the documents required under Article 75(1).

Amendment

1. The payment deadline for an interim payment claim may be interrupted by the authorising officer by delegation within the meaning of the Financial Regulation for a maximum period of **six** months if:

(a) following information provided by a national or Union audit body, there is evidence to suggest a significant deficiency in the functioning of the management and control system;

(b) the authorising officer by delegation has to carry out additional verifications following information coming to his attention alerting him that expenditure in a request for payment is linked to an irregularity having serious financial consequences;

(c) there is a failure to submit one of the documents required under Article 75(1).

Amendment 128 a

Proposal for a regulation

Part 2 – title 9 - chapter 1 - article 75

Text proposed by the Commission

Article 75

Submission of information

1. By 1 February of the year following the end of the accounting period, the Member State shall submit to the Commission the following documents and information in accordance with [Article 56] of the Financial Regulation:

(a) the certified annual accounts of the

Amendment

deleted

relevant bodies accredited pursuant to Article 64;

(b) the management declaration of assurance as to the completeness, accuracy and veracity of the annual accounts, the proper functioning of the internal control systems, as well as to the legality and regularity of the underlying transactions and the respect of the principle of sound financial management;

(c) a summary report of all available audits and controls carried out, including an analysis of systemic or recurrent weaknesses, as well as corrective actions taken or planned;

(d) an audit opinion by the designated independent audit body on the management declaration of assurance covering the completeness, accuracy and veracity of the annual accounts, the proper functioning of the internal control systems, as well as on the legality and regularity of the underlying transactions and the respect of the principle of sound financial management, accompanied by a control report setting out the findings of the audits carried out relating to the accounting year covered by the opinion.

2. Upon request by the Commission, the Member State shall provide further information to the Commission. If a Member State does not provide the requested information by the deadline for its submission set by the Commission, the Commission may take its decision on the clearance of the accounts on the basis of the information in its possession.

3. By [15 February] of the year following the end of the accounting period, the Member State shall submit to the Commission a synthesis report in accordance with the last subparagraph of [Article 56(5)] of the Financial Regulation.

Amendment 128 b

Proposal for a regulation

Part 2 – title 9 - chapter 2 - article 76 - title

Text proposed by the Commission

Clearance of accounts

Amendment

**Examination and acceptance of accounts
by the Commission**

Amendment 128 c

Proposal for a regulation

Part 2 – title 9 - chapter 2 - article 76 - paragraph 1

Text proposed by the Commission

1. By **30 April** of the year following the end of the accounting period, the Commission shall ***decide, in accordance with the Fund-specific rules, on the clearance of the accounts of the relevant bodies accredited pursuant to Article 64 for each programme. The clearance decision shall cover the completeness, accuracy and veracity of the annual accounts submitted and*** shall be without prejudice to any subsequent financial corrections.

Amendment

1. By **31 May** of the year following the end of the accounting period, the Commission shall ***carry out an examination of the accounts and inform the Member State whether it accepts that the accounts are complete, accurate and true. Acceptance of the accounts*** shall be without prejudice to any subsequent financial corrections.

Amendment 128 d

Proposal for a regulation

Part 2 – title 9 - chapter 2 - article 76 - paragraph 2

Text proposed by the Commission

2. The procedures for ***annual clearance*** shall be laid down in the Fund-specific rules.

Amendment

2. The procedures for ***examination and acceptance of the accounts*** shall be laid down in the Fund-specific rules.

(The amendment applies throughout the text regarding terminology. Adopting it will necessitate corresponding changes throughout:

- "annual accounts" to be replaced by

"accounts"

- "clearance of accounts" to be replaced by
"examination/acceptance of accounts")

Amendment 129

Proposal for a regulation

Part 2 – title 9 - chapter 2 - article 77 - paragraph 1

Text proposed by the Commission

1. The Commission shall make financial corrections by cancelling all or part of the Union contribution to a programme and effecting recovery from the Member State in order to exclude from Union financing expenditure which is in breach of applicable Union and national law, including in relation to deficiencies in the management and control systems of Member States which have been detected by the Commission or the European Court of Auditors.

Amendment

1. The Commission shall make financial corrections by cancelling all or part of the Union contribution to a programme and effecting recovery from the Member State in order to exclude from Union financing expenditure which is in breach of applicable Union and national law, including in relation to deficiencies in the management and control systems of Member States which have been detected by the Commission or the European Court of Auditors ***or which have been detected by the Member State but which have not been the subject of an adequate correction by the Member State concerned.***

Amendment 130

Proposal for a regulation

Part 2 – title 9 - chapter 2 - article 77 – paragraph 2

Text proposed by the Commission

2. A breach of applicable Union or national law shall lead to a financial correction only where one of the following conditions is met:

(a) the breach has ***or could have*** affected the selection of an operation by the responsible body for support by the ***CSF*** Funds;

(b) ***there is a risk that*** the breach has ***or could have*** affected the amount of

Amendment

2. A breach of applicable Union or national law shall lead to a financial correction only where one of the following conditions is met:

(a) the breach has affected the selection of an operation by the responsible body for support by the Funds ***covered by the CPR***;

(b) the breach has affected the amount of expenditure declared for reimbursement by

expenditure declared for reimbursement by the Union budget.

the Union budget.

Amendment 131

Proposal for a regulation

Part 2 – title 9 - chapter 2 - article 77 – paragraph 3

Text proposed by the Commission

3. When deciding on the amount of a financial correction under paragraph 1, the Commission shall take account of the nature and gravity of the breach of applicable Union or national law and its financial implications for the Union budget.

Amendment

3. When deciding on the amount of a financial correction under paragraph 1, the Commission shall take account of the nature and gravity of the breach of applicable Union or national law, ***including breaches in relation to deficiencies in the management and control systems of Member States***, and its financial implications for the Union budget. ***The Commission shall inform the European Parliament in a timely manner about its decision.***

Amendment 132

Proposal for a regulation

Part 3 – title 1 - chapter 1 - article 81 – paragraph 1

Text proposed by the Commission

1. The Funds shall contribute to developing and pursuing the actions of the Union leading to strengthening of its economic, social and territorial cohesion in accordance with Article 174 of the Treaty.

The actions supported by the Funds shall contribute to the Union strategy for smart, sustainable and inclusive growth.

Amendment

1. The Funds shall contribute to developing and pursuing the actions of the Union leading to strengthening of its economic, social and territorial cohesion in accordance with Article 174 of the Treaty.

The actions supported by the Funds shall ***also contribute in a balanced way to the implementation of*** the Union strategy for smart, sustainable and inclusive growth.

Amendment 133

Proposal for a regulation

Part 3 – title 1 - chapter 1 - article 82 – paragraph 2

Text proposed by the Commission

2. Resources for the Investment for growth and jobs goal shall be allocated among the following three categories of NUTS level 2 regions:

(a) less developed regions, whose GDP per capita is less than 75 % of the average GDP of the EU-27;

(b) transition regions, whose GDP per capita is between 75% and 90% of the average GDP of the EU-27;

(c) more developed regions, whose GDP per capita is above 90 % of the average GDP of the EU-27.

The three categories of regions *are* determined on the basis of how *their* GDP per capita, measured in purchasing power parities and calculated on the basis of Union figures for the period **2006 to 2008**, relates to the average GDP of the EU-27 for the same reference period.

Amendment

2. Resources for the Investment for growth and jobs goal shall be allocated among the following three categories of NUTS level 2 regions:

(a) less developed regions, whose GDP per capita is less than 75 % of the average GDP of the EU-27;

(b) transition regions, whose GDP per capita is between 75% and 90% of the average GDP of the EU-27;

(c) more developed regions, whose GDP per capita is above 90 % of the average GDP of the EU-27.

The ***classification of regions under one of the*** three categories of regions ***shall be*** determined on the basis of how ***the*** GDP per capita ***of each region***, measured in purchasing power parities and calculated on the basis of Union figures for the period ***XXXX to XXXX (the last three years available)***, relates to the average GDP of the EU-27 for the same reference period.

Amendment 134

Proposal for a regulation

Part 3 – title 1 - chapter 1 - article 82 – paragraph 3

Text proposed by the Commission

3. The Cohesion Fund shall support those Member States whose gross national income (GNI) per capita, measured in purchasing power parities and calculated on the basis of Union figures for the period **2007 to 2009**, is less than 90 % of the average GNI per capita of the EU-27 for the same reference period.

Amendment

3. The Cohesion Fund shall support those Member States whose gross national income (GNI) per capita, measured in purchasing power parities and calculated on the basis of Union figures for the period ***XXXX to XXXX (the last three years available)***, is less than 90 % of the average GNI per capita of the EU-27 for the same

reference period.

The Member States eligible for funding from the Cohesion Fund in 2013, but whose nominal GNI per capita exceeds 90% of the average GNI per capita of the EU-27 as calculated under the first subparagraph shall receive support from the Cohesion Fund on a transitional and specific basis.

The Member States eligible for funding from the Cohesion Fund in 2013, but whose nominal GNI per capita exceeds 90% of the average GNI per capita of the EU-27 as calculated under the first subparagraph shall receive support from the Cohesion Fund on a transitional and specific basis.

Amendment 135

Proposal for a regulation

Part 3 – title 1 - chapter 1 - article 82 – paragraph 4

Text proposed by the Commission

4. Immediately following the entry into force of this Regulation, the Commission shall adopt a decision by implementing act setting out the list of region fulfilling the criteria of the three categories of regions referred to in paragraph 2 and of Member States fulfilling the criteria of paragraph 3. ***Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 143(3).*** This list shall be valid from 1 January 2014 to 31 December 2020.

Amendment

4. Immediately following the entry into force of this Regulation, the Commission shall adopt a decision by implementing act setting out the list of regions fulfilling the criteria of the three categories of regions referred to in paragraph 2 and of Member States fulfilling the criteria of paragraph 3. This list shall be valid from 1 January 2014 to 31 December 2020.

Amendment 136

Proposal for a regulation

Part 3 – title 1 - chapter 2 - article 83 – paragraph 1

Text proposed by the Commission

1. The global resources available for budgetary commitment from the Funds for the period 2014 to 2020 shall be EUR **336 020 492 848** at 2011 prices, in accordance with the annual breakdown shown in

Amendment

1. The global resources available for budgetary commitment from the Funds for the period 2014 to 2020 shall be EUR **XXX XXX XXX** at 2011 prices, in accordance with the annual breakdown

Annex II. For the purposes of programming and subsequent inclusion in the general budget of the Union, the amount of global resources shall be indexed at 2 % per year.

shown in Annex II. For the purposes of programming and subsequent inclusion in the general budget of the Union, the amount of global resources shall be indexed at 2 % per year.

Amendment 137

Proposal for a regulation

Part 3 – title 1 - chapter 2 - article 83 – paragraph 2

Text proposed by the Commission

2. The Commission shall adopt a decision, by means of implementing acts, setting out the annual breakdown of the global resources **by** Member State, without prejudice to paragraph 3 of this Article and Article 84(7).

Amendment

2. The Commission shall adopt a decision, by means of implementing acts, setting out the annual breakdown of the global resources **per** Member State ***under the Investment for growth and jobs goal***, without prejudice to paragraph 3 of this Article and Article 84(7) ***and by cooperation programme under the European Territorial Cooperation goal***.

Amendment 138

Proposal for a regulation

Part 3 – title 1 - chapter 2 - article 83 – paragraph 3

Text proposed by the Commission

3. **0,35** % of the global resources shall be allocated to technical assistance at the initiative of the Commission.

Amendment

3. **XX** % of the global resources shall be allocated to technical assistance at the initiative of the Commission.

Amendment 139

Proposal for a regulation

Part 3 – title 1 - chapter 2 - article 84 – paragraph 1

Text proposed by the Commission

1. Resources for the Investment for growth and jobs goal shall amount to **96,52** % of the global resources (i.e., a total of EUR **324 320 492 844**) and shall be allocated as

Amendment

1. Resources for the Investment for growth and jobs goal shall amount to **XX** % of the global resources (i.e., a total of EUR **XXX XXX XXX**) and shall be allocated as

follows:

- (a) **50,13** % (i.e., a total of EUR **162 589 839 384**) for less developed regions;
- (b) **12,01** % (i.e., a total of EUR **38 951 564 661**) for transition regions;
- (c) **16,39** % (i.e., a total of EUR **53 142 922 017**) for more developed regions;
- (d) **21,19** % (i.e., a total of EUR **68 710 486 782**) for Member States supported by the Cohesion Fund;
- (e) **0,29** % (i.e., a total of EUR **925 680 000**) as additional funding for the outermost regions identified in Article 349 of the Treaty and the NUTS level 2 regions fulfilling the criteria laid down in Article 2 of Protocol No 6 to the Treaty of Accession of Austria, Finland and Sweden.

All regions whose GDP per capita for the 2007-2013 period was less than 75% of the average of the EU-25 for the reference period but whose GDP per capita is above 75% of the GDP average of the EU-27 shall receive an allocation under the Structural Funds equal to at least two thirds of their 2007-2013 allocation.

follows:

- (a) **XX** % (i.e., a total of EUR **XXX XXX XXX XXX**) for less developed regions;
- (b) **XX** % (i.e., a total of EUR **XXX XXX XXX XXX**) for transition regions;
- (c) **XX** % (i.e., a total of EUR **XXX XXX XXX XXX**) for more developed regions;
- (d) **XX** % (i.e., a total of EUR **XXX XXX XXX XXX**) for Member States supported by the Cohesion Fund;
- (e) **XX** % (i.e., a total of EUR **XXX XXX XXX**) as additional funding for the outermost regions (**XX EUR per inhabitant**) identified in Article 349 of the Treaty and the NUTS level 2 regions fulfilling the criteria laid down in Article 2 of Protocol No 6 to the Treaty of Accession of Austria, Finland and Sweden.

All regions whose GDP per capita for the 2007-2013 period was less than 75% of the average of the EU-25 for the reference period but whose GDP per capita is above 75% of the GDP average of the EU-27 **and regions designated with phasing-out status in the 2007-2013 period** shall receive an allocation under the Structural Funds equal to at least two thirds of their 2007-2013 allocation. **Single region island states eligible for funding from the Cohesion Fund in 2013 and outermost regions covered by the categories referred to in points 1(b) and 1(c) in the first subparagraph shall receive an allocation under the Funds equal to at least four fifths of their 2007-2013 allocations.**

Amendment 140

Proposal for a regulation

Part 3 – title 1 - chapter 2 - article 84 – paragraph 2

Text proposed by the Commission

2. The following criteria shall be used for the breakdown by Member State:

(a) eligible population, regional prosperity, national prosperity and unemployment rate for less developed regions and transition regions;

(b) eligible population, regional prosperity, unemployment rate, employment rate, educational level and population density for more developed regions;

(c) population, national prosperity and surface area for the Cohesion Fund.

Amendment

2. The following criteria shall be used for the breakdown by Member State:

(a) eligible population, regional prosperity ***taking into account, where appropriate, the specific situation of regions with severe and permanent natural or demographic handicaps***, national prosperity, ***ageing of the population*** and ***the*** unemployment rate for less developed regions and transition regions;

(b) eligible population , regional prosperity, unemployment rate, employment rate, educational level and population density, ***net adjusted income per inhabitant, school drop-out rate, intraregional disparities (NUTS 3) and the demographic vulnerability index*** for more developed regions;

(c) population, national prosperity and surface area for the Cohesion Fund.

Amendment 141

Proposal for a regulation

Part 3 – title 1 - chapter 2 - article 84 – paragraph 3

Text proposed by the Commission

3. At least 25 % of the Structural Funds resources for less developed regions, 40% for transition regions and 52% for more developed regions in each Member State shall be allocated to the ESF. For the purposes of this provision, the support to a Member State through the [Food for deprived people instrument] shall be considered as part of the share of Structural Funds allocated to the ESF.

Amendment

3. ***Indicatively***, at least 25 % of the Structural Funds resources for less developed regions, 40% for transition regions and 52% for more developed regions in each Member State shall be allocated to the ESF. ***The exact share of ESF for each Member State will be established during the negotiations for the Partnership Contract reflecting the specific needs of regions and shall be equal to at least the 2007-2013 allocations. Nevertheless, if in accordance with the Partnership Contract, a minimum share for a category of regions is lower than the minimum level, such a decrease must be compensated by an increase in other categories of regions. The resulting sum at national level for all categories of regions shall accordingly not be less than the sum at national level resulting from applying the indicative levels.*** For the purposes of this provision, the support to a Member State through the [Food for deprived people instrument] shall be considered as part of the share of Structural Funds allocated to the ESF.

Amendment 142

(modification of mandate of 11 July 2012)

Proposal for a regulation

Part 3 – title 1 - chapter 2 - article 84 – paragraph 4

Text proposed by the Commission

4. The support from the Cohesion Fund for transport infrastructure under the Connecting Europe Facility shall be EUR **10 000 000 000**.

The Commission shall adopt a decision by implementing act setting out the amount to be transferred from each Member State's Cohesion Fund allocation for the whole period. ***The Cohesion Fund allocation of each Member State shall be reduced accordingly.***

The annual appropriations corresponding to the support from the Cohesion Fund mentioned in the first subparagraph shall be entered in the relevant budget lines of the Connecting Europe Facility as from the 2014 budgetary exercise.

Support from the Cohesion Fund under the Connecting Europe Facility shall be implemented in accordance with Article [13] of Regulation (EU) [...]/2012 on establishing the Connecting Europe Facility³⁴ in respect of projects listed in Annex 1 to that Regulation, giving greatest possible priority to projects respecting the national allocations under the Cohesion Fund.

Amendment

4. The support from the Cohesion Fund for transport infrastructure ***projects of European added value*** under the Connecting Europe Facility shall be EUR ***XXX and shall be implemented exclusively in Member States eligible for the Cohesion Fund in accordance with the relevant EU specific legislation.***

The Commission, ***after consultation with the Member State concerned***, shall adopt a decision by implementing act setting out ***a) the amount to be transferred from each Member State's Cohesion Fund allocation for the whole period and b) the transport infrastructure projects of European added value among the pre-identified projects listed in Annex 1 of Regulation (EU) [...]/2012 on establishing the Connecting Europe Facility that will be carried out in each Member State.***

The selection of projects eligible for financing referred above shall be done based on their maturity, quality and EU added-value according to the procedures, objectives and criteria specified in the Connecting Europe Facility¹, in compliance with the amounts transferred from each Member State's Cohesion Fund allocation and shall fully respect the national allocations under the Cohesion Fund until 31 December 2016.

To ensure the highest possible absorption of the transferred funds in all Member States eligible to the Cohesion Fund, particular attention shall be given to programme support actions under the Connecting Europe Facility aimed at strengthening institutional capacity and the efficiency of public administrations and public services related to the development and implementation of projects implementing CEF objectives. In order to support Member States eligible to the Cohesion Fund, which may experience difficulties in designing projects that are of a sufficient maturity, quality and EU added-value, additional calls for proposals in accordance with (Article 11.2) of Regulation (EU) [...]/2012 on establishing the Connecting Europe Facility shall be organised, at least on a yearly basis.

Amendment 143

Proposal for a regulation

Part 3 – title 1 - chapter 2 - article 84 – paragraph 4 a (new)

Text proposed by the Commission

Amendment

4a. For Member States, whose average GDP growth [2007-2009] is negative and whose absorption rate as at 1 January 2012 is above [X%], the capping rate will be set at least at the level of the current period, reducing the level of capping according to the exclusion of fisheries and rural development funds.

Amendment 144

Proposal for a regulation

Part 3 – title 1 - chapter 2 - article 84 – paragraph 5

Text proposed by the Commission

5. The support from the Structural Funds for [food for deprived people] under the Investment for Growth and Jobs shall be EUR **2 500 000 000**.

The Commission shall adopt a decision by implementing act setting out the amount to be transferred from each Member State's Structural Funds allocation for the whole period in each Member State. The Structural Funds allocation of each Member State shall be reduced accordingly.

The annual appropriations corresponding to the support from the Structural Funds mentioned in the first subparagraph shall be entered in the relevant budget lines of the [food for deprived people instrument] with the 2014 budgetary exercise.

Amendment

5. The support from the Structural Funds for [food for deprived people] under the Investment for Growth and Jobs shall be EUR **XXX XXX XXX**.

The Commission shall adopt a decision by implementing act setting out the amount to be transferred from each Member State's Structural Funds allocation for the whole period in each Member State. The Structural Funds allocation of each Member State shall be reduced accordingly.

The annual appropriations corresponding to the support from the Structural Funds mentioned in the first subparagraph shall be entered in the relevant budget lines of the [food for deprived people instrument] with the 2014 budgetary exercise.

Amendment 145

Proposal for a regulation

Part 3 – title 1 - chapter 2 - article 84 – paragraph 6

Text proposed by the Commission

6. 5% of the resources for the Investment for growth and jobs goal shall constitute the performance reserve to be allocated in accordance with Article 20.

Amendment

deleted

Amendment 146

Proposal for a regulation

Part 3 – title 1 - chapter 2 - article 84 – paragraph 7

Text proposed by the Commission

7. **0,2%** of the ERDF resources for the Investment for growth and jobs goal shall be allocated to innovative actions at the initiative of the Commission in the area of sustainable urban development.

Amendment

7. **XX%** of the ERDF resources for the Investment for growth and jobs goal shall be allocated to innovative actions at the initiative of the Commission in the area of sustainable urban development.

Amendment 147

Proposal for a regulation

Part 3 – title 1 - chapter 2 - article 84 – paragraph 8

Text proposed by the Commission

8. Resources for the European territorial cooperation goal shall amount to **3,48** % of the global resources available for budgetary commitment from the Funds for the period 2014 to 2020 (i.e., a total of EUR **11 700 000 004**).

Amendment

8. Resources for the European territorial cooperation goal shall amount **indicatively** to **7** % of the global resources available for budgetary commitment from the Funds for the period 2014 to 2020 (i.e., a total of EUR **XX XXX XXX**).

Amendment 148

Proposal for a regulation

Part 3 – title 1 - chapter 2 - article 85 – paragraph 2

Text proposed by the Commission

2. By way of derogation from paragraph 1, the Commission may accept, in duly justified circumstances which are linked to the implementation of one or more thematic objectives, a proposal by a Member State in its first submission of the Partnership Contract to transfer up to **2%** of the total appropriation for a category of regions to other categories of regions.

Amendment

2. By way of derogation from paragraph 1, the Commission may accept, in duly justified circumstances which are linked to the implementation of one or more thematic objectives, a proposal by a Member State in its first submission of the Partnership Contract to transfer up to **4%** of the total appropriation for a category of regions to other categories of regions.

Amendment 149

Proposal for a regulation

Part 3 – title 1 - chapter 2 - article 86 – paragraph 6

Text proposed by the Commission

6. If it is established by the Commission in the ex post verification that a Member State has not maintained the reference level of public or equivalent structural expenditure under the Investment for growth and jobs goal set out in the Partnership Contract as set out in Annex III, the Commission may carry out a financial correction. In deciding whether ***or not*** to carry out a financial correction, the Commission ***will take into account*** whether the economic situation of the Member State has significantly changed since the mid-term verification and whether ***the*** change was taken into account at that time. The detailed rules relating to financial correction rates are set out in point 3 of Annex III.

Amendment

6. If it is established by the Commission in the ex post verification that a Member State has not maintained the reference level of public or equivalent structural expenditure under the Investment for growth and jobs goal set out in the Partnership Contract as set out in Annex III, the Commission may carry out a financial correction. In deciding whether to carry out a financial correction, the Commission ***shall first decide whether the Member State has taken the necessary steps to comply with the recommendations the Commission had made to this effect and shall consider*** whether the economic situation of the Member State has significantly changed since the mid-term verification and whether ***that*** change was taken into account at that time. The detailed rules relating to financial correction rates are set out in point 3 of Annex III.

Amendment 150

Proposal for a regulation

Part 3 – title 2 - chapter 1 - article 87 – paragraph 1

Text proposed by the Commission

1. An operational programme shall consist of priority axes. A priority axis ***shall*** concern ***one Fund for a category of region and shall correspond, without prejudice to Article 52, to a thematic objective and comprise one or more investment priorities of that thematic objective***, in accordance with the Fund specific rules. ***For the ESF, a priority axis may combine investment priorities from different thematic objectives set out in Article 9(8), (9), (10) and (11) in order to facilitate***

Amendment

1. An operational programme shall consist of priority axes. A priority axis ***may*** concern ***one or more categories of region, or combine one or more complementary investment priorities from different thematic objectives and Funds***, in accordance with the Fund-specific rules.

their contribution to other priority axes, in duly justified circumstances.

Amendment 151

Proposal for a regulation

Part 3 – title 2 - chapter 1 - article 87 – paragraph 2 – point a

Text proposed by the Commission

(a) a strategy for the operational programme's contribution to the Union strategy for smart, sustainable and inclusive growth, including:

(i) an identification of needs addressing the challenges identified in the *country specific recommendations and the broad guidelines of the economic policies of the Member States and of the Union under Article 121(2) and the Council recommendations which the Member States shall take into account in their employment policies adopted under Article 148(4) of the Treaty*, and taking into account national and regional *needs*;

(ii) a justification of the choice of thematic objectives and corresponding investment priorities, having regard to the Partnership Contract and the results of the *ex ante* evaluation;

Amendment

(a) a strategy for the operational programme's contribution to *the achievement of economic, social and territorial cohesion and to* the Union strategy for smart, sustainable and inclusive growth, including:

(i) an identification of needs addressing the challenges identified in the *National Reforms Programmes*, and taking into account *the Integrated Guidelines and* national and regional *specificities*;

(ii) a justification of the choice of thematic objectives and corresponding investment priorities, having regard to the Partnership Contract and the results of the *ex ante* evaluation; *and taking into account, where appropriate, the development needs of the region*;

Amendment 152

Proposal for a regulation

Part 3 – title 2 - chapter 1 - article 87 – paragraph 2 – point c

Text proposed by the Commission

(c) the contribution to the integrated approach for territorial development set out in the Partnership Contract, including:

(i) the mechanisms that ensure coordination between the Funds, the EAFRD, the EMFF and other Union and national funding instruments, and with the EIB;

(ii) where appropriate, a planned integrated approach to the territorial development of urban, rural, coastal and fisheries areas and areas with particular territorial features, in particular the implementation arrangements for Articles 28 and 29;

(iii) **the** list of cities where integrated actions for sustainable urban development will be implemented, the indicative annual allocation of the ERDF support for **these** actions, including the resources delegated to cities for management under Article 7(2) of Regulation (EU) No [ERDF] and the indicative annual allocation of ESF support for integrated actions;

(iv) the identification of the areas in which community-led local development will be implemented;

(v) the arrangements for interregional and transnational actions with beneficiaries located in at least one other Member State;

Amendment

(c) the contribution to the integrated approach for territorial development set out in the Partnership Contract, including:

(i) the mechanisms that ensure coordination between the Funds, the EAFRD, the EMFF, and other Union and national funding instruments, ***inter alia CEF and LIFE***, and with the EIB;

(ii) where appropriate, a planned integrated approach to the territorial development of urban, rural, coastal, ***mountain*** and fisheries areas and areas with particular territorial features, in particular the implementation arrangements for Articles 28 and 29; ***and the mechanisms contributing to Integrated Territorial Investments('ITIs')***;

(iii) ***an indicative*** list of cities ***or functional urban areas in accordance with the criteria laid down in point (ii) of Article 14(b))*** where integrated actions for sustainable urban development ***in accordance with Article 7*** will be implemented, the indicative annual allocation of the ERDF support for these actions, including the resources delegated to cities for management under Article 7(2) of Regulation (EU) No [ERDF] and the indicative annual allocation of ESF support for integrated actions;

(iv) the identification of the areas in which community-led local development will be implemented;

(v) the arrangements for ***cross-border***, interregional and transnational actions with beneficiaries located in at least one other Member State;

(vi) *where appropriate*, the contribution of the planned interventions towards macro regional strategies and sea basin strategies;

(vi) the contribution of the planned interventions towards macro-regional strategies and sea basin strategies *in the event that Member States and regions participate in such strategies*;

Amendment 153

Proposal for a regulation

Part 3 – title 2 - chapter 1 - article 87 – paragraph 2 – point d

Text proposed by the Commission

(d) the contribution to the integrated approach set out in the Partnership Contract to address the specific needs of geographical areas most affected by poverty or target groups at highest risk of discrimination or exclusion, with special regard to marginalised communities, and the indicative financial allocation;

Amendment

(d) the contribution to the integrated approach *as* set out in the Partnership Contract to address *regional demographic challenges and* the specific needs of geographical areas most affected by poverty or target groups at highest risk of discrimination or exclusion, with special regard to marginalized communities *and persons with disabilities*, and the indicative financial allocation;

Amendment 154

Proposal for a regulation

Part 3 – title 2 - chapter 1 - article 87 – paragraph 2 – point e

Text proposed by the Commission

(e) arrangements to ensure the effective implementation of the Funds, including:

(i) a performance framework in accordance with Article 19(1);

(ii) for each *ex ante* conditionality, established in accordance with Annex IV, that is not fulfilled at the date of submission of *the Partnership Contract and* operational programme, a description of the actions to *fulfil the ex ante conditionality* and a timetable for *such actions*;

Amendment

(e) arrangements to ensure the effective implementation of the Funds, including:

(i) a performance framework in accordance with Article 19(1);

(ii) for each *relevant ex ante* conditionality, established in accordance with *Article 17 and* Annex IV, that is not fulfilled at the date of submission of *an* operational programme, a description of the actions to *be taken at national and regional level* and a timetable for *their implementation to ensure their fulfilment within two years of the adoption of the Partnership Contract, or by 31 December 2016 whichever is the*

(iii) the actions taken to involve the partners in the preparation of the operational programme, and the role of the partners in the implementation, monitoring and evaluation of the operational programme;

earlier;

(iii) the actions taken to involve the **relevant** partners in the preparation of the operational programme, and the role of the partners in the implementation, monitoring and evaluation of the operational programme;

Amendment 155

Proposal for a regulation

Part 3 – title 2 - chapter 1 - article 87 – paragraph 2 – point f

Text proposed by the Commission

(f) arrangements to ensure the efficient implementation of the Funds, including:

(i) the planned use of technical assistance including actions to reinforce the administrative capacity of authorities and beneficiaries with the relevant information referred to in paragraph 2 (b) for the priority axis concerned;

(ii) an assessment of the administrative burden for beneficiaries and the actions planned to achieve a reduction accompanied by targets;

(iii) a list of major projects for which the estimated start date for the execution of the main works is before 1 January 2018;

Amendment

(f) arrangements to ensure the efficient implementation of the Funds, including:

(i) the planned use of technical assistance including actions to reinforce the administrative capacity of authorities and beneficiaries with the relevant information referred to in paragraph 2 (b) for the priority axis concerned;

(ii) an assessment of the administrative burden for beneficiaries and the actions planned to achieve a reduction accompanied by targets **and deadlines**;

(iii) a list of major projects for which the estimated start date for the execution of the main works is before 1 January 2018;

Amendment 156

Proposal for a regulation

Part 3 – title 2 - chapter 1 - article 87 – paragraph 2 – point g

Text proposed by the Commission

(g) a financing plan containing two tables:

(i) a table specifying for each year, in accordance with Articles 53, 110 and 111, the amount of the total financial appropriation envisaged for the support from

Amendment

(g) a financing plan containing two tables:

(i) a table specifying for each year, in accordance with Articles 53, 110 and 111, the amount of the total financial appropriation envisaged for the support from

each of the Funds;

(ii) a table specifying, for the whole programming period, for the operational programme and for each priority axis, the amount of the total financial appropriation of the support from the Funds and the national co-financing. Where the national co-financing is made up of public and private co-financing, the table shall give the indicative breakdown between the public and the private components. It shall show, for information purposes, the envisaged participation from the EIB;

each of the Funds;

(ii) a table specifying, for the whole programming period, for the operational programme and for each priority axis, the amount of the total financial appropriation of the support from the Funds and the national co-financing. ***For priority axes, which concern more than one category of region, the table shall specify the different amounts provided by each specific Fund and the respective co-financed amounts for each category of region. For priority axes, which combine investment priorities from different thematic objectives, the table shall specify the different amounts from the specific Funds and the respective co-financed amounts for each of the investment priorities.*** Where the national co-financing is made up of public and private co-financing, the table shall give the indicative breakdown between the public and the private components. It shall show, for information purposes, the envisaged participation from the EIB;

Amendment 157

Proposal for a regulation

Part 3 – title 2 - chapter 1 - article 87 – paragraph 2 – point h

Text proposed by the Commission

(h) the implementing provisions for the operational programme containing:

(i) identification of the ***accrediting*** body, the managing authority, the certifying authority, where applicable, and the audit authority;

(ii) identification of the body to which payments will be made by the Commission.

Amendment

(h) the implementing provisions for the operational programme containing:

(i) identification of the ***designated*** body ***(under the provisions of the Financial Regulation)***, the managing authority, the certifying authority, where applicable, and the audit authority;

(ii) identification of the body to which payments will be made by the Commission.

Amendment 158

Proposal for a regulation

Part 3 – title 2 - chapter 1 - article 88 – paragraph 2

Text proposed by the Commission

2. The ERDF and the ESF may finance, in a complementary manner and subject to a limit of **5** % of Union funding for each priority axis of an operational programme, a part of an operation for which the costs are eligible for support from the other Fund on the basis of eligibility rules applied to that Fund, provided that they are necessary for the satisfactory implementation of the operation and are directly linked to it.

Amendment

2. The ERDF and the ESF may finance, in a complementary manner and subject to a limit of **10** % of Union funding for each priority axis of an operational programme, a part of an operation for which the costs are eligible for support from the other Fund on the basis of eligibility rules applied to that Fund, provided that they are necessary for the satisfactory implementation of the operation and are directly linked to it.

Amendment 159

Proposal for a regulation

Part 3 – title 2 - chapter 2 - article 90 – paragraph 1

Text proposed by the Commission

As part of an operational programme or operational programmes, the ERDF and the Cohesion Fund may support an operation comprising a series of works, activities or services intended in itself to accomplish an indivisible task of a precise economic or technical nature which has clearly identified goals and whose total cost exceeds EUR 50 000 000 (a ‘major project’). Financial instruments shall not be considered major projects.

Amendment

As part of an operational programme or operational programmes, the ERDF and the Cohesion Fund may support an operation, comprising a series of works, activities or services intended in itself to accomplish an indivisible task of a precise economic or technical nature **that creates jobs**, which has clearly identified goals and whose total **eligible** cost exceeds EUR 50 000 000, **and in the case of operations contributing to the thematic objective set out in point (7) of Article 9 where the total eligible cost exceeds EUR 75 000 000** (a ‘major project’). Financial instruments shall not be considered major projects.

Amendment 160

Proposal for a regulation

Part 3 – title 2 - chapter 2 - article 91 – paragraph 1

Text proposed by the Commission

1. The Member State or the managing authority shall submit the following information on major projects to the Commission as soon as preparatory work has been completed:
- (a) information on the body to be responsible for implementation of the major project, and its capacity;
 - (b) a description of and information on the investment **and** its location;
 - (c) total cost and total eligible cost, taking account of the requirements set out in Article 54;
 - (d) information on the feasibility studies carried out, including the options **analysis**, the results, and independent quality review;
 - (e) a cost-benefit analysis, including an economic and a financial analysis, and a risk assessment;
 - (f) an analysis of the environmental impact, taking into account climate change adaptation and mitigation needs, and disaster resilience;
 - (g) the consistency with the relevant priority axes of the operational programme or programmes concerned, and its expected contribution to achieving the specific objectives of those priority axes;
 - (h) the financing plan showing the total planned financial resources and the

Amendment

1. The Member State or the managing authority shall submit the following information on major projects to the Commission as soon as preparatory work has been completed:
- (a) information on the body to be responsible for implementation of the major project, and its capacity;
 - (b) a **strategic analysis which includes the** description of and information on the investment, its location **and how it will contribute to the economic development of the region**;
 - (c) total cost and total eligible cost, taking account of the requirements set out in Article 54;
 - (d) information on the feasibility studies carried out, including **the analysis of** the options, the results, and **the** independent quality review **of the long term impact of the projects and their coherence with regard to regional and local development**;
 - (e) a cost-benefit analysis, including an economic and a financial analysis, and a risk assessment;
 - (f) an analysis of the environmental impact, taking into account climate change adaptation and mitigation needs, **biodiversity protection** and disaster resilience;
 - (fa) a description of the public consultation proposed and the involvement of partners as referred to in Article 5;**
 - (g) the consistency with the relevant priority axes of the operational programme or programmes concerned, and its expected contribution to achieving the specific objectives of those priority axes;
 - (h) the financing plan showing the total planned financial resources and the

planned support from the Funds, the EIB, and all other sources of financing, together with physical and financial indicators for monitoring progress, taking account of the identified risks;

(i) the timetable for implementing the major project and, where the implementation period is expected to be longer than the programming period, the phases for which support from the Funds is requested during the 2014 to 2020 programming period.

The Commission shall ***provide indicative*** guidance on the methodology to be used in carrying out the cost-benefit analysis referred to in point (e) ***above in accordance with the advisory procedure referred to in Article 143(2).***

The format for the information on major projects to be submitted shall be set up in accordance with the model adopted by the Commission, by means of implementing acts. Those implementing acts shall be adopted in accordance with the advisory procedure referred to in Article 143(2).

planned support from the Funds, the EIB, and all other sources of financing, together with physical and financial indicators for monitoring progress, taking account of the identified risks;

(i) the timetable for implementing the major project and, where the implementation period is expected to be longer than the programming period, the phases for which support from the Funds is requested during the 2014 to 2020 programming period.

The Commission shall ***be empowered to adopt delegated acts in accordance with Article 142, laying down*** guidance on the methodology to be used in carrying out the cost-benefit analysis referred to in point (e) ***of the first subparagraph.***

The format for the information on major projects to be submitted shall be set up in accordance with the model adopted by the Commission, by means of implementing acts. Those implementing acts shall be adopted in accordance with the advisory procedure referred to in Article 143(2).

Amendment 161

Proposal for a regulation

Part 3 – title 2 - chapter 2 - article 92 – paragraph 2

Text proposed by the Commission

2. The Commission shall adopt a decision, by means of implementing act, no later than three months after the date of submission of the information approving a major project in accordance with Article 91. That decision shall define the physical object, the amount to which the co-financing rate for the priority axis applies, physical and financial indicators for monitoring progress, and the expected contribution of the major project to the objectives of the relevant priority axis or

Amendment

2. The Commission shall adopt a decision, by means of implementing acts, no later than three months after the date of submission of the information approving a major project in accordance with Article 91. That decision shall define the physical object, the amount to which the co-financing rate for the priority axis applies, physical and financial indicators for monitoring progress, and the expected contribution of the major project to the objectives of the relevant priority axis or

axes. An approval decision shall be conditional on the first works contract being concluded within two years of the date of the decision.

axes. An approval decision shall be conditional on the first works contract being concluded within two years of the date of the decision. ***In the case of operations implemented under PPP structures the signing of the PPP contract between the public body and the private sector body, an approval decision shall be conditional on the first works contract being concluded within three years of the date of the decision. At the duly justified request of the Member State, and made within two years of that decision for example, in the case of delays resulting from administrative and legal proceedings related to the implementation of major projects the Commission may adopt a decision, by means of a delegated act, on the extension of the period by not more than two years.***

Amendment 162

Proposal for a regulation

Part 3 – title 2 - chapter 3 - article 93 – paragraph 1

Text proposed by the Commission

1. A joint action plan is an operation defined and managed in relation to the outputs and results which it will achieve. It comprises a group of projects, not consisting in the provision of infrastructure, carried out under the responsibility of **the** beneficiary, as part of an operational programme or programmes. The outputs and results of a joint action plan shall be agreed between the Member State and the Commission and shall contribute to specific objectives of the operational programmes and form the basis of support from the Funds. Results shall refer to direct effects of the joint action plan. The beneficiary shall be a public law body. Joint action plans shall not be considered as major projects.

Amendment

1. A joint action plan is an operation defined and managed in relation to the outputs and results which it will achieve. It comprises a group of projects, not consisting in the provision of infrastructure, carried out under the responsibility of **a** beneficiary **or beneficiaries, such as local and regional authorities**, as part of an operational programme or programmes. The outputs and results of a joint action plan shall be agreed between the Member State and the Commission and shall contribute to specific objectives of the operational programmes and form the basis of support from the Funds. Results shall refer to direct effects of the joint action plan. The beneficiary shall be a public law body. Joint action plans shall not be considered

as major projects.

Amendment 163

Proposal for a regulation

Part 3 – title 2 - chapter 3 - article 93 – paragraph 2

Text proposed by the Commission

2. The public support allocated to a joint action plan shall be a minimum of EUR **10 000 000** or 20 % of the public support of the operational programme or programmes, whichever is lower.

Amendment

2. The public support allocated to a joint action plan shall be a minimum of EUR **5 000 000** or 20 % of the public support of the operational programme or programmes, whichever is lower.

Amendment 164

Proposal for a regulation

Part 3 – title 2 - chapter 3 - article 95 – point 1

Text proposed by the Commission

(1) an analysis of the development needs and objectives justifying the joint action plan, taking into account the objectives of the operational programmes and, where applicable, ***the country-specific recommendations and the broad guidelines of the economic policies of the Member States and of the Union under Article 121(2) and the Council recommendations which the Member States shall take into account in their employment policies under Article 148(4) of the Treaty;***

Amendment

(1) an analysis of the development needs and objectives justifying the joint action plan, taking into account the objectives of the operational programmes and, where applicable, ***an assessment of macro-regional strategies, sea basin strategies and the National Reform Programmes;***

Amendment 165

Proposal for a regulation

Part 3 – title 2 - chapter 3 - article 95 – point 7 a (new)

Text proposed by the Commission

Amendment

(7a) a 'state of play' of measures taken or planned in order to involve relevant partners referred to in Article 5 in the preparation , implementation and evaluation of operational programmes;

Amendment 166

Proposal for a regulation

Part 3 – title 2 - chapter 3 - article 97 – paragraph 2

Text proposed by the Commission

Amendment

2. The steering committee shall carry out the following activities:

(a) review progress towards achieving the milestones, outputs and results of the joint action plan;

(b) consider and approve any proposal to amend the joint action plan in order to take account of any issues affecting its performance.

2. The steering committee shall carry out the following activities:

(a) review progress towards achieving the milestones, outputs and results of the joint action plan, ***and transmit the results to the monitoring committee;***

(b) consider and approve any proposal to amend the joint action plan in order to take account of any issues affecting its performance, ***and transmit the results to the monitoring committee.***

Amendment 167

Proposal for a regulation

Part 3 – title 2 - chapter 4 - article 99 – paragraph 1

Text proposed by the Commission

Amendment

1. Where ***an*** urban development strategy or other territorial strategy ***or pact as defined in Article 12(1) of Regulation...[ESF]*** requires an integrated approach involving investments under more than one priority axis of one or more operational

1. Where ***a sustainable*** urban development strategy or other territorial strategy requires an integrated approach involving investments under more than one priority axis of one or more operational programmes, the action shall be carried out

programmes, the action shall be carried out as an integrated territorial investment (an 'ITI').

as an integrated territorial investment (an 'ITI').

Comment: Part 3 - Title II - Chapter IV Territorial development (Article 99) is moved to Part 2 - Title III - Chapter IIa (new)

Amendment 168

Proposal for a regulation

Part 3 – title 2 - chapter 4 - article 99 – paragraph 1 a (new)

Text proposed by the Commission

Amendment

1a. Where Member States and regions participate in macro-regional and sea basin strategies, ITIs shall be consistent with such strategies. Member States or managing authorities shall ensure that ITIs are consistent with regard to regional sustainable development strategies.

Comment: Part 3 - Title II - Chapter IV Territorial development (Article 99) is moved to Part 2 - Title III - Chapter IIa (new)

Amendment 169

Proposal for a regulation

Part 3 – title 2 - chapter 4 - article 99 – paragraph 2

Text proposed by the Commission

Amendment

2. The relevant operational programmes shall identify the ITIs ***planned*** and shall set out the indicative financial allocation from each priority axis to each ITI.

2. The relevant operational programmes shall identify the ***selection criteria for ITIs, the planned ITIs and*** and shall set out the indicative financial allocation from each priority axis to each ITI.

Comment: Part 3 - Title II - Chapter IV Territorial development (Article 99) is moved to Part 2 - Title III - Chapter IIa (new)

Amendment 170

Proposal for a regulation

Part 3 – title 2 - chapter 4 - article 99 – paragraph 3

Text proposed by the Commission

3. The Member State or the managing authority may designate one or more intermediate bodies, including local authorities, regional development bodies or non-governmental organisations, to carry out the management and implementation of an ITI.

Amendment

3. The Member State or the managing authority may designate one or more intermediate bodies, including local authorities, regional development bodies, **local action groups**, or non-governmental organisations, to carry out the management and implementation of an ITI.

Comment: Part 3 - Title II -Chapter IV Territorial development (Article 99) is moved to Part 2 - Title III - Chapter IIa (new)

Amendment 171

Proposal for a regulation

Part 3 – title 3 - chapter 1 - article 100 – paragraph 1

Text proposed by the Commission

1. The monitoring committee shall examine in particular:
- (a) any issues that affect the performance of the operational programme;
 - (b) progress in implementation of the evaluation plan and the follow-up given to findings of evaluations;
 - (c) implementation of the communication strategy;
 - (d) implementation of major projects;
 - (e) implementation of joint action plans;
 - (f) actions to **promote** equality between men and women, equal opportunities, and non-discrimination, including accessibility for disabled persons;
 - (g) actions to promote sustainable

Amendment

1. The monitoring committee shall examine in particular:
- (a) any issues that affect the performance of the operational programme;
 - (b) progress in implementation of the evaluation plan and the follow-up given to findings of evaluations;
 - (c) implementation of the communication strategy;
 - (d) implementation of major projects;
 - (e) implementation of joint action plans;
 - (f) actions to **ensure** equality between men and women, equal opportunities, and non-discrimination, including accessibility for disabled persons, **and aimed at combating poverty and promoting social inclusion**;
 - (g) actions to promote sustainable

development;

(h) actions in the operational programme relating to the fulfilment of *ex ante* conditionalities;

(i) financial instruments.

development;

(h) actions in the operational programme relating to the fulfilment of *ex ante* conditionalities;

(i) financial instruments.

Amendment 172

Proposal for a regulation

Part 3 – title 3 - chapter 1 - article 101 – paragraph 3

Text proposed by the Commission

3. The annual implementation reports submitted in 2017 and 2019 shall set out and assess the information required under Articles 44(3) and (4) respectively, the information set out in paragraph 2, together with:

(a) progress in implementation of the integrated approach to territorial development, including sustainable urban development, and community led local development under the operational programme;

(b) progress in implementation of actions to reinforce the capacity of Member State authorities and beneficiaries to administer and use the Funds;

(c) progress in implementation of any interregional and transnational actions;

(d) progress in implementation of the evaluation plan and the follow-up given to the findings of evaluations;

Amendment

3. The annual implementation reports submitted in 2017 and 2019 shall set out and assess the information required under Articles 44(3) and (4) respectively, the information set out in paragraph 2, together with:

(a) progress in implementation of the integrated approach to territorial development, including ***development of territories facing severe and permanent demographic and natural handicaps***, sustainable urban development, and community led local development under the operational programme;

(b) progress in implementation of actions to reinforce the capacity of Member State authorities and beneficiaries to administer and use the Funds;

(c) progress in implementation of any interregional and transnational actions ***and in the event that Member States and regions participate in macro-regional and sea basin strategies, progress in implementation of such strategies***;

(d) progress in implementation of the evaluation plan and the follow-up given to the findings of evaluations;

(e) the specific actions taken to promote equality between men and women and to prevent discrimination, including accessibility for disabled persons, and the arrangements implemented to ensure the integration of the gender perspective in the operational programme and operations;

(f) actions taken to promote sustainable development in accordance with Article 8;

(g) the results of the information and publicity measures of the Funds carried out under the communication strategy;

(h) progress in the implementation of actions in the field of social innovation, where appropriate;

(i) progress in the implementation of measures to address the specific needs of geographical areas most affected by poverty or of target groups at highest risk of discrimination or exclusion, with special regard to marginalised communities including, where appropriate, the financial resources used;

(j) the involvement of the partners in the implementation, monitoring and evaluation of the operational programme.

(e) the specific actions taken to promote equality between men and women and to prevent discrimination, including accessibility for disabled persons, and the arrangements implemented to ensure the integration of the gender perspective in the operational programme and operations, ***as well as specific actions taken to combat poverty***;

(f) actions taken to promote sustainable development in accordance with Article 8;

(fa) actions taken to promote social inclusion and youth employment;

(g) the results of the information and publicity measures of the Funds carried out under the communication strategy;

(h) progress in the implementation of actions in the field of social innovation, where appropriate;

(i) progress in the implementation of measures to address ***regional demographic challenges and*** the specific needs of geographical areas most affected ***by severe demographic and natural handicaps***, by poverty or of target groups at highest risk of discrimination or ***social*** exclusion, with special regard to marginalised communities ***and persons with disabilities*** including, where appropriate, the financial resources used;

(j) the involvement of the partners in the implementation, monitoring and evaluation of the operational programme.

Amendment 173

Proposal for a regulation

Part 3 – title 3 - chapter 1 - article 103

Text proposed by the Commission

Cohesion Report

Amendment

Cohesion Report

The report of the Commission referred to in Article 175 of the Treaty shall include:

- (a) a record of progress made on economic, social and territorial cohesion, including the socio-economic situation and development of the regions, as well as the integration of the Union's priorities;
- (b) a record of the role of the Funds, the EIB and the other instruments, as well as the effect of other Union and national policies, in the progress made.

1. The report of the Commission referred to in Article 175 of the Treaty shall include *in particular*:

- (a) a record of progress made on economic, social and territorial cohesion, including the socio-economic situation and development of the regions, as well as the integration of the Union's priorities;
- (b) a record of the role of the Funds, the EIB and the other instruments, as well as the effect of other Union and national policies, in the progress made.

1a. The report shall also contain, where appropriate, any proposals on measures and policies which should be adopted in order to strengthen economic, social and territorial cohesion, as well as to deliver the Union's priorities.

Amendment 174

Proposal for a regulation

Part 3 – title 3 - chapter 2 - article 105 – paragraph 1

Text proposed by the Commission

1. Member States and managing authorities shall be responsible for:

- (a) ensuring the establishment of a single website or a single website portal providing information on, and access to, all operational programmes in that Member State;
- (b) informing potential beneficiaries about funding opportunities under operational programmes;
- (c) publicising to Union citizens the role and achievements of cohesion policy and of the Funds through information and communication actions on the results and impact of Partnership Contracts, operational programmes and operations.

Amendment

1. Member States and managing authorities shall be responsible for:

- (a) ensuring the establishment of a single website or a single website portal providing information on, and access to, all operational programmes in that Member State;
- (b) informing potential beneficiaries about funding opportunities under operational programmes;
- (c) publicising to Union citizens the role and achievements of cohesion policy and of the Funds through information and communication actions on the results and impact of Partnership Contracts, operational programmes and operations;
- (ca) informing the public about the time schedule of the programming and all***

related public consultation processes.

Amendment 175

Proposal for a regulation

Part 3 – title 3 - chapter 2 - article 105 – paragraph 1 a (new)

Text proposed by the Commission

Amendment

1a. Union institutions and advisory bodies may organise actions aimed at raising awareness about cohesion policy and its added value for the Union's citizens.

Amendment 176

Proposal for a regulation

Part 3 – title 3 - chapter 2 - article 105 – paragraph 2

Text proposed by the Commission

Amendment

2. Member States shall in order to ensure transparency in the support of the Funds maintain a list of operations by operational programme and by Fund in CSV or XML format which shall be accessible through the single website or the single website portal providing a list and summary of all operational programmes in that Member State.

The list of operations shall be updated at least every ***three*** months.

The minimum information to be set out in the list of operations is laid down in Annex V.

2. Member States shall in order to ensure transparency in the support of the Funds maintain a list of operations by operational programme and by Fund in CSV or XML format which shall be accessible through the single website or the single website portal providing a list and summary of all operational programmes in that Member State.

The list of operations shall be updated at least every ***four*** months.

The minimum information to be set out in the list of operations is laid down in Annex V.

Amendment 177

Proposal for a regulation

Part 3 – title 3 - chapter 2 - article 105 – paragraph 4 a (new)

Text proposed by the Commission

Amendment

4a. A managing authority may use Europe Direct Information Centres in the dissemination of information and for communication activities at a local and regional level.

Amendment 178

Proposal for a regulation

Part 3 – title 3 - chapter 2 - article 107 – paragraph 1

Text proposed by the Commission

Amendment

1. Each Member State shall designate an information and communication officer to coordinate information and communication actions in relation to one or several Funds and shall inform the Commission accordingly.

1. Each Member State shall designate an information and communication officer to coordinate information and communication actions in relation to one or several Funds ***in cooperation with relevant partners*** and shall inform the Commission accordingly.

Amendment 179

Proposal for a regulation

Part 3 – title 5 - article 110 – paragraph 3

Text proposed by the Commission

Amendment

3. The co-financing rate at the level of each priority axis of operational programmes under the Investment for growth and jobs goal shall be no higher than:

(a) 85 % for the Cohesion Fund;

(b) 85 % for the less developed regions of Member States ***whose average GDP per capita for the period 2007 to 2009 was below 85 % of the EU-27 average during the same period*** and for the outermost

3. The co-financing rate at the level of each priority axis of operational programmes under the Investment for growth and jobs goal shall be no higher than:

(a) 85 % for the Cohesion Fund;

(b) 85 % for the less developed regions of Member States and for the outermost regions ***including additional funding***;

regions;

(c) 80% for the less developed regions of Member States other than those referred to in point (b) eligible for the transitional regime of the Cohesion Fund on 1 January 2014;

deleted

(d) 75% for the less developed regions of Member States other than those referred to in points (b) and (c), and for all regions whose GDP per capita for the 2007-2013 period was less than 75% of the average of the EU-25 for the reference period but whose GDP per capita is above 75% of the GDP average of the EU-27;

deleted

(e) 60 % for the transition regions other than those referred to in point (d);

(e) 75 % for the transition regions and for regions which were eligible for funding under Transitional support pursuant to Article 8(1) of Regulation (EC) No 1083/2006;

(f) 50 % for the more developed regions other than those referred to in point (d).

(f) 50 % for the more developed regions other than those referred to in point (e).

The co-financing rate at the level of each priority axis of operational programmes under the European territorial cooperation goal shall be no higher than 75%.

The co-financing rate at the level of each priority axis of operational programmes under the European territorial cooperation goal shall be no higher than 85%.

Amendment 180

Proposal for a regulation

Part 3 – title 5 - article 110 – paragraph 4

Text proposed by the Commission

Amendment

4. The co-financing rate of the additional allocation in accordance with Article 84(1) (e) shall be no higher than 50%. The same co-financing rate shall apply to the additional allocation under Article 4(2) of Regulation (EU) No [...] /2012 [ETC Regulation].

deleted

Amendment 181

Proposal for a regulation

Part 3 – title 5 - article 110 – paragraph 5

Text proposed by the Commission

5. The maximum co-financing rate under paragraph 3 at the level of a priority axis shall be increased by ten percentage points, where the whole of a priority axis is delivered through financial instruments, or ***through community-led*** local development.

Amendment

5. The maximum co-financing rate under paragraph 3 at the level of a priority axis shall be increased by ***no more than*** ten percentage points, where the whole of a priority axis is delivered through financial instruments, or ***territorial instruments supporting*** local development (ITI, JAP, CLLD).

Amendment 182

Proposal for a regulation

Part 3 – title 5 - article 111 – paragraph 1 – point 3 a (new)

Text proposed by the Commission

Amendment

(3a) the inclusion of the outermost regions as referred to in Article 349 of the Treaty;

Amendment 183

Proposal for a regulation

Part 3 – title 5 - article 111 – paragraph 1 – point 4

Text proposed by the Commission

Amendment

(4) the coverage of areas with severe and permanent natural or demographic handicaps defined as follows:

(a) island Member States eligible under the Cohesion Fund, and other islands except those on which the capital of a Member State is situated or which have a fixed link to the mainland;

(b) mountainous areas as defined by the national legislation of the Member State;

(c) sparsely (less than 50 inhabitants per

(4) the coverage of areas with severe and permanent natural or demographic handicaps defined as follows:

(a) island Member States eligible under the Cohesion Fund, and other islands except those on which the capital of a Member State is situated or which have a fixed link to the mainland;

(b) mountainous areas as defined by the national legislation of the Member State;

(c) sparsely (less than 50 inhabitants per

square kilometre) and very sparsely (less than 8 inhabitants per square kilometre) populated areas.

square kilometre) and very sparsely (less than 8 inhabitants per square kilometre) populated areas;

(ca) regions that suffer from severe demographic vulnerability.

Amendment 184

Proposal for a regulation

Part 3 – title 6 - chapter 1 - article 112 – paragraph 1

Text proposed by the Commission

1. Member States shall ensure that management and control systems for operational programmes are set up in accordance with Articles 62 and 63.

Amendment

1. Member States shall ensure that management and control systems for operational programmes are set up in accordance with Articles 62 and 63.

Member States shall also ensure that the general principles of proportionality and reducing administrative costs referred to in Article 4(5) and (10), respectively, are observed.

Amendment 185

Proposal for a regulation

Part 3 – title 6 - chapter 1 - article 112 – paragraph 2 – subparagraph 1

Text proposed by the Commission

Member States shall prevent, detect and correct irregularities and shall recover amounts unduly paid, together with any interest on late payments. They shall notify these irregularities to the Commission and shall keep the Commission informed of the progress of related administrative and legal proceedings.

Amendment

Member States shall prevent, detect and correct irregularities and shall recover amounts unduly paid, together with any interest on late payments. ***If, in individual cases, funds are incorrectly allocated, as a result of rounding up or down or accounting errors or because expenditure is ineligible for funding, it shall not be necessary to return this money and such cases will not be pursued provided the funds in question do not exceed EUR 250. This limit for small claims also applies to the relevant interest if the expected interest is not greater than EUR 250. This expenditure may not be deducted from the expenses declared in the declarations of***

expenditure. They shall notify these irregularities to the Commission and shall keep the Commission informed of the progress of related administrative and legal proceedings.

Amendment 186

Proposal for a regulation

Part 3 – title 6 - chapter 2 - article 113 – paragraph 1 a (new)

Text proposed by the Commission

Amendment

1a. The Member States are called upon to nominate a one-stop agency for applicants.

Amendment 187

Proposal for a regulation

Part 3 – title 6 - chapter 2 - article 113 – paragraph 5

Text proposed by the Commission

Amendment

5. For the Investment for growth and jobs goal, provided that the principle of separation of functions is respected, the managing authority, the certifying authority, where applicable, and the audit authority may be part of the same public authority or body. However, for those operational programmes for which the total amount of support from the Funds exceeds EUR 250 000 000, the audit authority may not be part of the same public authority or body as the managing authority.

5. For the Investment for growth and jobs goal, provided that the principle of separation of functions is respected, the managing authority, the certifying authority, where applicable, and the audit authority may be part of the same public authority or body. However, for those operational programmes for which the total amount of support from the Funds exceeds EUR 250 000 000, the audit authority may not be part of the same public authority or body as the managing authority, ***unless the Commission has reached the conclusion, in the previous programming period, that it can rely on the audit opinion of the Member State.***

Amendment 188

Proposal for a regulation

Part 3 – title 6 - chapter 2 - article 114 – paragraph 3 – point a

Text proposed by the Commission

- (a) draw up and, once approved, apply appropriate selection procedures and criteria that:
- (i) are non-discriminatory and transparent;
 - (ii) take into account the general principles set out in Articles 7 and 8;

Amendment

- (a) draw up and, once approved, apply appropriate selection procedures and criteria that:
- (i) are **clear**, non-discriminatory and transparent;
 - (ii) take into account the general principles set out in Articles 7 and 8;

Amendment 188 a

Proposal for a regulation

Part 3 – title 6 - chapter 2 - article 114 – paragraph 4 – point e

Text proposed by the Commission

4. As regards the financial management and control of the operational programme, the managing authority shall:
- (a) verify that the co-financed products and services have been delivered and that expenditure declared by the beneficiaries has been paid by them and that it complies with applicable Union and national law, the operational programme and the conditions for support of the operation;
 - (b) ensure that beneficiaries involved in the implementation of operations reimbursed on the basis of eligible costs actually incurred maintain either a separate accounting system or an adequate accounting code for all transactions relating to an operation;
 - (c) put in place effective and proportionate anti-fraud measures taking into account the risks identified;
 - (d) set up procedures to ensure that all documents regarding expenditure and audits

Amendment

4. As regards the financial management and control of the operational programme, the managing authority shall:
- (a) verify that the co-financed products and services have been delivered and that expenditure declared by the beneficiaries has been paid by them and that it complies with applicable Union and national law, the operational programme and the conditions for support of the operation;
 - (b) ensure that beneficiaries involved in the implementation of operations reimbursed on the basis of eligible costs actually incurred maintain either a separate accounting system or an adequate accounting code for all transactions relating to an operation;
 - (c) put in place effective and proportionate anti-fraud measures taking into account the risks identified;
 - (d) set up procedures to ensure that all documents regarding expenditure and audits

required to ensure an adequate audit trail are held in accordance with the requirements of Article 62(g);

(e) draw up the management declaration *of assurance on the functioning of the management and control system, the legality and regularity of underlying transactions and the respect of the principle of sound financial management, together with a report setting out the results of management controls carried out, any weaknesses identified in the management and control system and any corrective action taken.*

required to ensure an adequate audit trail are held in accordance with the requirements of Article 62(g);

(e) draw up the management declaration *and annual summary referred to in Article 59 (5) (a) and (b) of the Financial Regulation.*

Amendment 189

Proposal for a regulation

Part 3 – title 6 - chapter 2 - article 114 – paragraph 8

Text proposed by the Commission

8. The Commission shall adopt delegated acts, in accordance with Article 142, laying down the modalities of the exchange of information *in paragraph 2(d).*

Amendment

8. The Commission shall ***be empowered to*** adopt delegated acts, in accordance with Article 142, laying down ***detailed rules for establishing the system as referred to in point (d) of paragraph 2, as well as*** the modalities of the exchange of information ***recorded and stored within that system.***

Amendment 190

Proposal for a regulation

Part 3 – title 6 - chapter 2 - article 114 – paragraph 9

Text proposed by the Commission

9. The Commission shall adopt delegated acts, in accordance with Article 142, laying down rules concerning ***arrangements for*** the audit trail referred to in paragraph 4(d).

Amendment

9. The Commission shall ***be empowered to*** adopt delegated acts, in accordance with Article 142, laying down rules concerning the audit trail referred to in paragraph 4(d).

Amendment 190 a

Proposal for a regulation

Part 3 – title 6 - chapter 2 - article 116 – paragraph 5

Text proposed by the Commission

5. The audit authority shall draw up:

(i) an audit opinion *on the annual accounts for the preceding accounting year, whose scope shall cover the completeness, accuracy and veracity of the annual accounts, the functioning of the management and control system and the legality and regularity of the underlying transactions;*

(ii) **an annual** control report setting out the findings of the audits carried out *during the preceding accounting year.*

The report under point (ii) shall set out any deficiencies found in the management and control system and any corrective measures taken or proposed to be taken.

Where a common management and control system applies to more than one operational programme, the information required under point (ii) may be grouped in a single report.

Amendment

5. The audit authority shall draw up:

(i) an audit opinion *in accordance with Article 59 (5) of the Financial Regulation;*

(ii) a control report setting out the *main* findings, *including deficiencies found in the management and control systems* of the audits carried out *according to paragraph 116 (1) and the suggested and implemented corrective actions.*

deleted

Where a common management and control system applies to more than one operational programme, the information required under point (ii) may be grouped in a single report.

Amendment 191

Proposal for a regulation

Part 3 – title 6 - chapter 2 - article 116 – paragraph 7

Text proposed by the Commission

7. Implementing rules concerning the use of data collected during audits carried out by Commission officials or authorised Commission representatives *shall be adopted by the Commission in accordance with the examination procedure referred*

Amendment

7. The Commission shall be empowered to adopt delegated acts, in accordance with Article 142, laying down detailed rules on the use of data collected during audits carried out by Commission officials or authorised Commission representatives.

to in Article 143(3).

Amendment 191 a

Proposal for a regulation

Part 3 – title 6 - chapter 2 - article 117 – title

Text proposed by the Commission

Accreditation and withdrawal of accreditation of the managing authority and the certifying authority

Amendment

Designation and ending of the designation of the managing authority and the certifying authority

Amendment 191 b

Proposal for a regulation

Part 3 – title 6 - chapter 2 - article 117 – paragraph 1

Text proposed by the Commission

1. The accrediting body shall adopt a formal decision to accredit those managing authorities and certifying authorities that comply with the accreditation criteria that have been established by the Commission by means of delegated acts in accordance with Article 142.

Amendment

1. The designations of the managing authority and the certifying authority shall take place by formal decision at an appropriate level.

Amendment 191 c

Proposal for a regulation

Part 3 – title 6 - chapter 2 - article 117 – paragraph 2

Text proposed by the Commission

2. The **formal decision** referred to in paragraph 1 shall be based on a report and an opinion of an independent audit body that assesses the **management and control system, including the role of intermediate bodies therein, and its compliance with Articles 62, 63, 114 and 115. The accrediting body shall take into account whether the management and control**

Amendment

2. The **designations** referred to in paragraph 1 shall be based on a report and an opinion of an independent audit body, **which may be the audit authority that assesses the compliance of the authorities with the criteria relating to the internal control environment, risk management, control activities, information and**

systems for the operational programme are similar to those in place for the previous programming period, as well as any evidence of their effective functioning.

communication and monitoring systems.

The Commission shall adopt delegated acts in accordance with Article 142 laying down these criteria.

The independent audit body shall carry out its work in accordance with internationally accepted audit standards. Where the independent audit body is satisfied that the management and control system, or the part of it concerning the managing authority or certifying authority, is essentially the same as for the previous programming period, and that there is evidence of its effective functioning during that period, it may conclude that the relevant criteria are fulfilled without carrying out additional audit work.

Amendment 191 d

Proposal for a regulation

Part 3 – title 6 - chapter 2 - article 117 – paragraph 3

Text proposed by the Commission

3. The Member State shall *submit the formal decision* referred to in paragraph 1 *to the Commission within six months of the adoption of* the decision adopting the operational programme.

Amendment

3. The Member State shall *notify the Commission of the designations* referred to in paragraph 1 *as soon as possible after* the decision adopting the operational programme *and prior to the submission of the first application for interim payment to the Commission.*

Amendment 191 e

Proposal for a regulation

Part 3 – title 6 - chapter 2 - article 117 – paragraph 4

Text proposed by the Commission

4. Where the total amount of support from the Funds to an operational programme exceeds EUR 250 000 000 the Commission may request, within two months of ***receipt of the formal decision*** referred to in paragraph 1, the report and the opinion of the independent audit body and the description of the management and control system.

The Commission may make observations within two months of receipt of these documents.

In deciding whether to request those documents, the Commission shall take into account whether the management and control systems for the operational programme are similar to those in place for the previous programming period, whether the managing authority also carries out the functions of the certifying authority, and any evidence of their effective functioning.

Amendment

4. Where the total amount of support from the Funds to an operational programme exceeds EUR 250 000 000 the Commission may request, within two months of ***notification of the designations***-referred to in paragraph 1, the report and the opinion of the independent audit body and the description of the management and control system.

The Commission may make observations within two months of receipt of these documents.

In deciding whether to request those documents, the Commission shall take into account whether the management and control systems for the operational programme are similar to those in place for the previous programming period, whether the managing authority also carries out the functions of the certifying authority, and any evidence of their effective functioning.

Without prejudice to the application of Article 77, the examination of these documents shall not interrupt the treatment of applications for interim payments.

Amendment 191 f

Proposal for a regulation

Part 3 – title 6 - chapter 2 - article 117 – paragraph 4 a (new)

Text proposed by the Commission

Amendment

4a. The Member States shall, where existing audit and control results show that the designated authority no longer complies with the criteria referred to in paragraph 1, end the designation, unless

the authority takes the necessary remedial actions within a period of probation to be determined by the Member State according to the severity of the problem. Member States shall notify the Commission without delay when a designated authority is put under probation together with the respective probation period, when following implementation of remedial actions the probation is ended, and when the designation of an authority is ended.

Amendment 191 g

Proposal for a regulation

Part 3 – title 6 - chapter 2 - article 117 – paragraph 4 b (new)

Text proposed by the Commission

Amendment

4b. Where the designation of a managing authority or a certifying authority is ended, Member States shall designate, following the procedure foreseen in paragraphs 1 and 2, a new body which will, following its designation, take over the function of the managing authority or of the certifying authority, and shall notify the Commission.

Amendment 191 h

Proposal for a regulation

Part 3 – title 6 - chapter 2 - article 117 – paragraph 4 c (new)

Text proposed by the Commission

Amendment

4c new. The Commission shall adopt, by means of implementing acts, the model for the report and opinion of the independent audit body and the model for the description of the management and control system. Those implementing acts shall be adopted in accordance with the advisory procedure referred to in Article

Amendment 192

Proposal for a regulation

Part 3 – title 7 - chapter 1 - article 120 – paragraph 1

Text proposed by the Commission

1. The Commission shall reimburse as interim payments **90%** of the amount resulting from applying the co-financing rate for each priority axis laid down in the decision adopting the operational programme to the eligible expenditure for the priority axis included in the payment application. It shall determine the annual balance in accordance with Article 130(1).

Amendment

1. The Commission shall reimburse as interim payments **95%** of the amount resulting from applying the co-financing rate for each priority axis laid down in the decision adopting the operational programme to the eligible expenditure for the priority axis included in the payment application. It shall determine the annual balance in accordance with Article 130(1).

Amendment 193

Proposal for a regulation

Part 3 – title 7 - chapter 1 - article 123 – paragraph 1

Text proposed by the Commission

1. Member States which have not adopted the euro as their currency on the date of an application for payment shall convert the amounts of expenditure incurred in national currency into euro. This amount shall be converted into euro using the monthly accounting exchange rate of the Commission in the month during which the expenditure was registered in the accounts of the managing authority of the operational programme concerned. This rate shall be published electronically by the Commission each month.

Amendment

1. Member States which have not adopted the euro as their currency on the date of an application for payment shall convert the amounts of expenditure incurred in national currency into euro. This amount shall be converted into euro using the monthly accounting exchange rate of the Commission in the month during which the expenditure was registered in the accounts of **the certifying authority or** the managing authority of the operational programme concerned. This rate shall be published electronically by the Commission each month.

Amendment 194

Proposal for a regulation

Part 3 – title 7 - chapter 1 - article 124 – paragraph 1

Text proposed by the Commission

1. The initial pre-financing amount shall be paid in instalments as follows:

(a) in 2014: **2 %** of the amount of support from the Funds for the entire programming period to the operational programme;

(b) in 2015: **1 %** of the amount of support from the Funds for the entire programming period to the operational programme;

(c) in 2016: **1 %** of the amount of support from the Funds for the entire programming period to the operational programme.

If an operational programme is adopted in 2015 or later, the earlier instalments shall be paid in the year of adoption.

Amendment

1. The initial pre-financing amount shall be paid in instalments as follows:

(a) in 2014: **2.5%** of the amount of support from the Funds for the entire programming period to the operational programme;

(b) in 2015: **2 %** of the amount of support from the Funds for the entire programming period to the operational programme;

(c) in 2016: **2 %** of the amount of support from the Funds for the entire programming period to the operational programme.

If an operational programme is adopted in 2015 or later, the earlier instalments shall be paid in the year of adoption.

Amendment 194 a

Proposal for a regulation

Part 3 – title 7 - chapter 1 - article 126 – paragraph 3

Text proposed by the Commission

3. The first application for interim payment shall not be made before the ***formal act accrediting*** the managing authority ***has been received by the Commission***.

Amendment

3. The first application for interim payment shall not be made before the ***notification of the Commission of the designation of*** the managing ***and certifying authorities in accordance with Article 117***.

Amendment 195

Proposal for a regulation

Part 3 – title 7 - chapter 1 - article 127 – paragraph 1

Text proposed by the Commission

The Commission shall decommit any part of the amount calculated in accordance with the second subparagraph in an operational programme that has not been used for payment of the initial and annual pre-financing, interim payments and annual balance by 31 December of the *second* financial year following the year of budget commitment under the operational programme or for which a payment application drawn up in accordance with Article 121 has not been submitted in accordance with Article 126.

For the purposes of the decommitment, the Commission shall calculate the amount by adding one sixth of the annual budget commitment related to the 2014 total annual contribution to each of the 2015 to 2020 budget commitments.

Amendment

The Commission shall decommit any part of the amount calculated in accordance with the second subparagraph in an operational programme that has not been used for payment of the initial and annual pre-financing, interim payments and annual balance by 31 December of the *third* financial year following the year of budget commitment under the operational programme or for which a payment application drawn up in accordance with Article 121 has not been submitted in accordance with Article 126.

For the purposes of the decommitment, the Commission shall calculate the amount by adding one sixth of the annual budget commitment related to the 2014 total annual contribution to each of the 2015 to 2020 budget commitments.

Amendment 196

Proposal for a regulation

Part 3 – title 7 - chapter 1 - article 127 – paragraph 4 a (new)

Text proposed by the Commission

Amendment

4a. When the Commission takes a decision to authorise a major project, any amounts that are potentially concerned by automatic decommitment shall be reduced by the annual amounts allocated to such major projects. For such annual amounts, the starting date for the calculation of the automatic decommitment deadline referred to in the first subparagraph of paragraph 1 shall be the date of the decision that is subsequently necessary in order to authorise such major projects.

Amendment 196 a

Proposal for a regulation

Part 3 – title 7 - chapter 1 - article 128 – title

Text proposed by the Commission

Amendment

Content of the *annual* accounts

Preparation of the accounts

Amendment 196 b

Proposal for a regulation

Part 3 – title 7 - chapter 1 - article 128 – paragraph 1

Text proposed by the Commission

Amendment

1. The certified ***annual*** accounts for each operational programme shall cover the accounting year and shall include at the level of each priority axis:

(a) the total amount of eligible expenditure entered into the accounts of the certifying authority as having been paid by beneficiaries in implementing operations and the corresponding eligible public support which has been paid and the total amount of public support incurred in implementing operations;

(b) the amounts withdrawn and recovered during the accounting year, the amounts to be recovered as at the end of the accounting year, the recoveries effected pursuant to Article 61, and the irrecoverable amounts;

(c) for each priority axis, the list of operations completed during the accounting year that were supported by ERDF and Cohesion Fund;

(d) for each priority axis, a reconciliation

1. The certified accounts ***referred to in Article 59(5)(a) of the Financial Regulation shall be submitted*** for each operational programme. ***The accounts*** shall cover the accounting year and shall include at the level of each priority axis ***and, where applicable, fund and category of regions:***

(a) the total amount of eligible expenditure entered into the accounts of the certifying authority as having been paid by beneficiaries in implementing operations and the corresponding eligible public support which has been paid and the total amount of public support incurred in implementing operations;

(b) the amounts withdrawn and recovered during the accounting year, the amounts to be recovered as at the end of the accounting year, the recoveries effected pursuant to Article 61, and the irrecoverable amounts;

(ba new) amounts of pre-financing paid to financial instruments under Article 35;

(c) for each priority axis, the list of operations completed during the accounting year that were supported by ERDF and Cohesion Fund;

(d) for each priority axis, a reconciliation

between the expenditure stated pursuant to point (a) and the expenditure declared in respect of the same accounting year in payment applications, accompanied by an explanation of any differences.

between the expenditure stated pursuant to point (a) and the expenditure declared in respect of the same accounting year in payment applications, accompanied by an explanation of any differences.

Amendment 196 c

Proposal for a regulation

Part 3 – title 7 - chapter 1 - article 128 – paragraph 2

Text proposed by the Commission

2. The certifying authority may specify by priority axis ***in the accounts a provision, which shall not exceed 5 % of the total expenditure in payment applications presented for a given accounting year, where the assessment of the legality and regularity of the expenditure is subject to an ongoing procedure with the audit authority.*** The amount ***covered*** shall be excluded from the total amount of eligible expenditure referred to in paragraph 1(a). ***These amounts*** shall be definitively included in, or excluded from, the ***annual*** accounts of the following year.

Amendment

2. ***Where, for the purpose of the preparation of the accounts, the assessment of the legality and regularity of expenditure previously included in an application for interim payment for the accounting year, is subject to an ongoing procedure with the audit authority,*** the certifying authority may specify ***the amount of such expenditure in the accounts*** by priority axis ***and, where applicable, fund and category of regions.*** ***The amount of such expenditure shall not exceed 5% of the total expenditure declared in the last payment application for the accounting year.*** The amount ***specified*** shall be excluded from the total amount of eligible expenditure referred to in paragraph 1(a). ***The amount of such expenditure*** shall be definitively included in, or excluded from, the accounts of the following ***accounting*** year.

Amendment 196 d

Proposal for a regulation

Part 3 – title 7 - chapter 1 - article 128 – paragraph 2 a (new)

Text proposed by the Commission

Amendment

2a. The Commission shall adopt, by means of implementing acts, the model for the accounts. Those implementing acts shall be adopted in accordance with the

advisory procedure referred to in Article 143 (2).

Amendment 196 e

Proposal for a regulation

Part 3 – title 7 - chapter 1 - article 129 – paragraph 1

Text proposed by the Commission

For each year from 2016 until and including **2022**, the *Member State* shall submit *the documents referred to in Article 75(1)*.

Amendment

By the deadline set out in Article 59 (5) of the Financial Regulation for each year from 2016 until and including **2024**, the *certifying authority* shall submit:

a) the accounts referred to in Article 128 paragraph 1 for the preceding accounting year;

b) the management declaration and the summary report referred to in Article 114 (4) (e);

c) the audit opinion and the control report referred to in Article 116 (5) (i) and (ii).

Amendment 196 f

Proposal for a regulation

Part 3 – title 7 - chapter 1 - article 129 a (new)

Text proposed by the Commission

Amendment

Article 129a

Examination and acceptance of the accounts by the Commission

1. The Commission shall carry out an examination of the documents submitted by the Member State under Article 129. Upon request by the Commission, the Member State shall provide all necessary additional information to enable the

Commission to determine whether the accounts are complete, accurate and true by the deadline set out in Article 76(1).

2. The Commission shall accept the accounts where it is able to conclude that the accounts are complete, accurate and true. The Commission shall reach such a conclusion where the audit authority has provided an unqualified audit opinion on the accounts, and the Commission has no information from its examination, including any additional information provided by the Member State at its request, which puts in question the reliability of the audit opinion on the accounts.

3. The Commission shall inform the Member State by the deadline set out in Article 76(1) whether or not it is able to accept the accounts.

4. When it is not able to accept the accounts by the deadline, the Commission shall notify the Member State of the actions which must be undertaken and the time period for their completion, or of the additional enquiries which the Commission proposes to undertake under Article 65(2). At the end of the time period for the completion of the actions by the Member State, or following the additional enquiries by the Commission, the Commission shall inform the Member State whether or not it is able to accept the accounts.

5. The acceptance of the accounts by the Commission is without prejudice to the examination of the legality and regularity of the underlying transactions concerning expenditure entered in the accounts and the application of corrections under

Articles 136 and 137.

Comment: This new article should be inserted before Article 130 (as numbered in the Commission proposal)

Amendment 196 g

Proposal for a regulation

Part 3 – title 7 - chapter 1 - article 130 – title

Text proposed by the Commission

Amendment

Annual clearance of accounts

Calculation of annual balance

Amendment 196 h

Proposal for a regulation

Part 3 – title 7 - chapter 1 - article 130 – paragraph 1

Text proposed by the Commission

Amendment

1. For the purposes of calculating the amount chargeable to the Funds for an accounting year, the Commission shall take into account:

1. On the basis of the accepted accounts, the Commission shall calculate the amount chargeable to the Funds for the accounting year and the annual balance due to the Member State or to be recovered, and shall inform the Member State. The Commission shall take into account:

(a) the total amount of expenditure entered into the accounts referred to in Article 128(1)(a), to which shall be applied the co-financing rate for each priority axis;

(a) the total amount of expenditure entered into the accounts referred to in Article 128(1)(a), ***net of any provision under Article 128(2)***, to which shall be applied the co-financing rate for each priority axis;

(b) the total amount of payments made by the Commission during that accounting year, consisting of:

(b) the total amount of payments made by the Commission during that accounting year, consisting of:

(i) the amount of interim payments paid by the Commission in accordance with Article 120(1) and Article 22; and

(i) the amount of interim payments paid by the Commission in accordance with Article 120(1) and Article 22; and

(ii) the amount of the annual pre-financing paid under Article 124(2).

(ii) the amount of the annual pre-financing paid under Article 124(2).

Amendment 196 i

Proposal for a regulation

Part 3 – title 7 - chapter 1 - article 130 – paragraph 2

Text proposed by the Commission

2. ***The annual balance which, as a result of the clearance of accounts, is recoverable from the Member State*** shall be subject to a recovery order ***of the Commission. The*** annual balance payable to the Member State shall be added to the next ***interim*** payment made by the Commission following the ***clearance*** of accounts.

Amendment

2. ***Where the calculation of the annual balance leads to an amount to be recovered from a Member State, it*** shall be subject of a recovery order ***issued by the Commission which shall be executed where possible by offsetting against amounts due to the Member State under subsequent payments. These amounts shall constitute assigned revenue. Where the calculation of the annual balance leads to an amount*** payable to the Member State, ***it*** shall be added to the next payment made by the Commission following the ***acceptance*** of ***the*** accounts.

Amendment 196 j

Proposal for a regulation

Part 3 – title 7 - chapter 1 - article 130 – paragraph 3

Text proposed by the Commission

3. ***If, for reasons attributable to a Member State, the Commission is not in a position to clear the accounts by 30 April of the year following the end of an accounting year, the Commission shall notify the Member State of the actions that must be undertaken by the managing authority or audit authority, or of the additional enquiries the Commission proposes to undertake pursuant to Article 65(2) and (3).***

Amendment

3. ***Where following the procedure set out in Article 129a (new), the Commission is not able to accept the accounts, the Commission shall determine on the basis of the information available and in accordance with paragraph 130(1) the amount chargeable to the Funds for the accounting year and the annual balance due to the Member State or to be recovered, and shall inform the Member State. Where the Member State notifies the Commission of its agreement on the annual balance within two months of the transmission by the Commission of the information, 129a new (3) shall apply.***

In the absence of such agreement, the Commission shall adopt a decision by means of implementing acts setting out the amount chargeable to the Funds for the accounting year and the annual balance due to the Member State or to be recovered.

Amendment 196 k

Proposal for a regulation

Part 3 – title 7 - chapter 1 - article 130 – paragraph 4

Text proposed by the Commission

Amendment

4. Payment of the annual balance by the Commission shall be based on the expenditure declared in the accounts, net of any provision made in respect of expenditure declared to the Commission which is subject to a contradictory procedure with the audit authority.

deleted

Amendment 196 l

Proposal for a regulation

Part 3 – title 7 - chapter 1 - article 131

Text proposed by the Commission

Amendment

Article 131

deleted

Rolling Closure

1. For the ERDF and the Cohesion Fund, the annual accounts for each operational programme shall include at the level of each priority axis the list of operations completed during the accounting year. The expenditure relating to these operations included in the accounts subject to the clearance decision shall be considered as closed.

2. For the ESF, the expenditure included in the accounts that are subject to a clearance decision shall be considered as

closed.

Amendment 196 m

Proposal for a regulation

Part 3 – title 7 - chapter 1 - article 132 – paragraph 1

Text proposed by the Commission

1. Without prejudice to the rules governing State aid, the managing authority shall ensure that all supporting documents on operations are made available to the Commission and the European Court of Auditors upon request for a period of three years. This three year period shall run from 31 December of the year of the *clearance* of accounts decision pursuant to Article 130 *or, at the latest, from the date of payment of the final balance.*

This three year period shall be interrupted either in the case of legal or administrative proceedings or by a duly justified request of the Commission.

Amendment

1. Without prejudice to the rules governing State aid, the managing authority shall ensure that all supporting documents on operations are made available to the Commission and the European Court of Auditors upon request for a period of three years. ***For the ESF*** this three year period shall run from 31 December of the year of the *acceptance* of the accounts pursuant to Article 130. ***For the ERDF and the Cohesion Fund this three year period shall run from 31 December of the year of the acceptance of the accounts pursuant to Article 130 for the operations included in the list referred to in Article 128 (1) (d).***

This three year period shall be interrupted either in the case of legal or administrative proceedings or by a duly justified request of the Commission.

Amendment 196 n

Proposal for a regulation

Part 3 – title 7 - chapter 1 - article 132 – paragraph 2

Text proposed by the Commission

2. The documents shall be kept either in the form of the originals, or certified true copies of the originals, or on ***commonly*** accepted data carriers including electronic versions of original documents or documents existing in electronic version only.

Amendment

2. The documents shall be kept either in the form of the originals, or certified true copies of the originals, or on accepted data carriers including electronic versions of original documents or documents existing in electronic version only.

Amendment 196 o

Proposal for a regulation

Part 3 – title 7 - chapter 1 - article 132 – paragraph 4

Text proposed by the Commission

4. The Commission shall be empowered to adopt delegated acts in accordance with Article 142 **to set** out which data carriers can be **considered as commonly** accepted.

Amendment

4. The Commission shall be empowered to adopt delegated acts, in accordance with Article 142, **setting** out which data carriers can be accepted.

Amendment 196 p

Proposal for a regulation

Part 3 – title 7 - chapter 1 - article 132 – paragraph 5

Text proposed by the Commission

5. The procedure for certification of conformity of documents held on **commonly** accepted data carriers with the original document shall be laid down by the national authorities and shall ensure that the versions held comply with national legal requirements and can be relied on for audit purposes.

Amendment

5. The procedure for certification of conformity of documents held on accepted data carriers with the original document shall be laid down by the national authorities and shall ensure that the versions held comply with national legal requirements and can be relied on for audit purposes.

Amendment 196 q

Proposal for a regulation

Part 3 – title 7 - chapter 1 - article 133 – paragraph 1

Text proposed by the Commission

1. Member States shall submit the following documents by **30 September 2023**:

- (a) an application for payment of the final balance;
- (b) a final implementation report for the operational programme; and
- (c) the documents referred to in Article **75(1)** for the final accounting year, from 1

Amendment

1. Member States shall submit the following documents by **the deadline referred to in Article 59(5) of the Financial Regulation in 2024**:

- (a) an application for payment of the final balance;
- (b) a final implementation report for the operational programme; and
- (c) the documents referred to in Article **129** for the final accounting year, from 1 July

Amendment 197

Proposal for a regulation

Part 3 – title 7 - chapter 2 - section 2 - article 133 – paragraph 2

Text proposed by the Commission

2. The final balance shall be paid no later than three months after the date of clearance of accounts of the final accounting year or one month after the date of acceptance of the final implementation report, whichever date is later.

Amendment

2. The final balance shall be paid no later than three months after the date of clearance of accounts of the final accounting year or one month after the date of acceptance of the final implementation report, whichever date is later.

The beneficiary shall receive the entire final payment of the balance within the deadlines and on the conditions fixed by the European late payment Directive.

Amendment 198

Proposal for a regulation

Part 3 – title 7 - chapter 2 - section 3 - article 134

Text proposed by the Commission

1. All or part of the interim payments at the level of priority axes or operational programmes may be suspended by the Commission **where**:

(a) there is a serious deficiency in the management and control system of the operational programme for which corrective measures have not been taken;

(b) expenditure in a statement of expenditure is linked to an irregularity having serious financial consequences which has not been corrected;

(c) the Member State has failed to take the necessary action to remedy the situation giving rise to an interruption under Article 74;

Amendment

1. All or part of the interim payments at the level of priority axes or operational programmes may be suspended by the Commission **if one or more of the following conditions is met**:

(a) there is a serious deficiency in the management and control system of the operational programme for which corrective measures have not been taken;

(b) expenditure in a statement of expenditure is linked to an irregularity having serious financial consequences which has not been corrected;

(c) the Member State has failed to take the necessary action to remedy the situation giving rise to an interruption under Article 74;

- (d) there is a serious deficiency in the quality and reliability of the monitoring system or of the data on common and specific indicators;
- (e) the Member State has failed to undertake actions set out in the operational programme relating to fulfilment of an *ex ante* conditionalities;
- (f) there is evidence resulting from a performance review that a priority axis has failed to achieve the milestones set out in the performance framework;
- (g) the Member State fails to respond or does not reply satisfactorily under Article 20(3).***

- (d) there is a serious deficiency in the quality and reliability of the monitoring system or of the data on common and specific indicators;
- (e) the Member State has failed to undertake actions set out in the operational programme relating to fulfilment of an *ex ante* conditionalities;
- (f) there is evidence resulting from a performance review that a priority axis has failed to achieve the milestones set out in the performance framework.
- deleted***

Amendment 199

Proposal for a regulation

Part 3 – title 7 - chapter 3 - section 2 - article 136 – paragraph 6

Text proposed by the Commission

6. The Commission shall be empowered ***to adopt*** delegated acts in accordance with Article 142 ***establishing*** the criteria for establishing the level of financial correction to be applied.

Amendment

6. The Commission shall be empowered, ***by means of*** delegated acts in accordance with Article 142, ***to lay down detailed rules concerning the cases that are to be regarded as serious deficiencies within the meaning of this Article and*** the criteria for establishing the level of financial correction to be applied.

Amendment 200

Proposal for a regulation

Part 3 – title 7 - chapter 3 - section 2 - article 137 – paragraph 5

Text proposed by the Commission

5. In order to apply financial corrections the Commission shall take a decision, by means of implementing acts, within six months of the date of the hearing, or of the date of receipt of additional information

Amendment

5. In ***the absence of an agreement and in*** order to apply financial corrections the Commission shall take a decision, by means of implementing acts, within six months of the date of the hearing, or of the

where the Member State agrees to submit such additional information following the hearing. The Commission shall take account of all information and observations submitted during the course of the procedure. If no hearing takes place, the six month period shall begin to run two months after the date of the letter of invitation to the hearing sent by the Commission.

date of receipt of additional information where the Member State agrees to submit such additional information following the hearing. The Commission shall take account of all information and observations submitted during the course of the procedure. If no hearing takes place, the six month period shall begin to run two months after the date of the letter of invitation to the hearing sent by the Commission.

Amendment 201

Proposal for a regulation

Part 4 – chapter 1 - article 141 – paragraph 1

Text proposed by the Commission

The Commission **may** adopt, **by means of** delegated acts in accordance with Article 142, amendments to **the Annex V to this Regulation within the scope of the relevant provisions of this Regulation.**

Amendment

The Commission **shall be empowered to** adopt delegated acts, in accordance with Article 142, **concerning** amendments to Annex V **in order to supplement the information and publicity requirements if necessary.**

Amendment 202

Proposal for a regulation

Part 4 – chapter 1 - article 142 – paragraph 1

Text proposed by the Commission

1. The **powers** to adopt delegated acts **are** conferred on the Commission subject to the conditions laid down in this Article.

Amendment

1. The **power** to adopt delegated acts **is** conferred on the Commission subject to the conditions laid down in this Article **and shall not apply retrospectively.**

Amendment 203

Proposal for a regulation

Part 4 – chapter 1 – article 142 – paragraph 2

Text proposed by the Commission

2. The delegations of power referred to in **this Regulation** shall be conferred for **an indeterminate** period of **time** from **the date of entry into force of this Regulation**.

Amendment

2. The delegations of power referred to in **Articles...**¹ shall be conferred **on the Commission** for a period of **3 years** from² **The Commission shall draw up a report in respect of the delegation of power not later than 9 months before the end of the three year period. The delegation of power shall be tacitly extended until the review of this Regulation, unless the European Parliament or the Council opposes such extension not later than 3 months before the end of that period.**

¹ (insert all the numbers of all the Articles where delegated acts are provided for)

² OJ: Please insert date of entry into force of this Regulation)

Amendment 204

Proposal for a regulation

Part 4 – chapter 1 – article 142 – paragraph 3

Text proposed by the Commission

The delegations of power referred to in **Article 141** may be revoked at any time by the European Parliament or by the Council.

A decision of revocation shall put an end to the delegation of the power specified in that decision. It shall take effect the day following the publication of the decision in the *Official Journal of the European Union* or at a later date specified therein. It shall not affect the validity of any delegated acts already in force.

Amendment

The delegations of power referred to in **Articles...**¹ may be revoked at any time by the European Parliament or by the Council.

A decision of revocation shall put an end to the delegation of the power specified in that decision. It shall take effect the day following the publication of the decision in the *Official Journal of the European Union* or at a later date specified therein. It shall not affect the validity of any delegated acts already in force.

¹ (insert all the numbers of all the Articles where delegated acts are provided for)

Amendment 205

Proposal for a regulation

Part 4 – chapter 1 – article 142 – paragraph 5

Text proposed by the Commission

5. **The** delegated **acts** shall enter into force only if no objection has been expressed either by the European Parliament or the Council within a period of **2 months** of notification of that act to the European Parliament and the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by **2 months** at the initiative of the European Parliament or the Council.

If, on expiry of that period, neither the European Parliament nor the Council has objected to the delegated act, it shall be published in the Official Journal of the European Union and shall enter into force at the date stated therein.

The delegated act may be published in the Official Journal of the European Union and enter into force before the expiry of that period if the European Parliament and the Council have both informed the Commission of their intention not to raise objections.

If the European Parliament or the Council objects to a delegated act, the act shall not enter into force. The institution that objects to the delegated act shall state the reasons for its objections.

Amendment

5. **A delegated act adopted pursuant to Articles...**¹ shall enter into force only if no objection has been expressed either by the European Parliament or the Council within a period of **3 months** of notification of that act to the European Parliament and the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by **3 months** at the initiative of the European Parliament or the Council.

deleted

deleted

deleted

¹ (insert all the numbers of all the Articles

where delegated acts are provided for)

Amendment 206

Proposal for a regulation

Annex -I (new)

Text proposed by the Commission

Amendment

Annex -I

Common Strategic Framework

The purpose of this framework is to serve, in accordance with Article 10, but without prejudice to the priorities and objectives laid down in the fund-specific regulations, as a means of coordinating, integrating and balancing the objectives of different policies in specific national, regional and local contexts, and, in particular, as a means of coordinating and balancing investment priorities with the thematic objectives set out in Article 9. Implementation of this framework must respect the principle of simplification.

1. Horizontal Principles and cross-cutting challenges

1.1 Partnership and multi-level governance

1.1.1 The principle of multi-level governance requires coordinated action that is carried out in accordance with the principles of subsidiarity and proportionality, and in partnership. It also must take the form of operational and institutionalised cooperation, in particular with regard to the drawing-up and implementation of Union policies. Explicit reference to the principle of multi-level governance in this Regulation represents a reinforcement of that principle and provides an added value for cohesion policy itself.

1.1.2 The principle of multi-level governance must be respected in order to facilitate achieving social, economic and territorial cohesion and delivery of the Union's priorities of smart, sustainable and inclusive growth. Member States and regions must, therefore, make full use of the partnerships established in the framework set down in this Regulation to ensure better coordination and integration with other Union instruments and policies.

1.1.3 In order to ensure effective multi-level governance Member States and regions must:

- a) implement partnership according to the European code of conduct as referred to in Article 5;*
- b) establish coordination mechanisms between the different levels of governance in accordance with the respective constitutional powers systems;*
- c) report regularly on the implementation of partnership.*

1.1.4 At all stages of the implementation of the Funds covered by the CPR, partnership must be organised so as to directly involve regional and local authorities in the preparation and potential revision of Partnership Contracts, and of programmes, and also in the implementation, monitoring and evaluation of those programmes. Social and economic partners, other public authorities, as well as bodies representing civil society, including environmental partners, non-governmental organisations and bodies responsible for promoting equality and non-discrimination, with whom cooperation shall follow best practices, must also be involved, where appropriate, by Member States, regional and local

authorities, in order to ensure partnership during all phases of policy implementation.

1.2 Sustainable development

1.2.1 The principle of sustainable development, as laid down in Article 3 of the Treaty on European Union (TEU), consists of a concept of progress according to which social, economic and environmental considerations are to be integrated when considering well-being and a better quality of life for present and future generations. National, regional, local and other relevant authorities should identify the projects that are expected to have the biggest impact in terms of achieving the principles of Article 3(TEU) in order to guarantee social, economic and territorial cohesion. In implementing the Funds covered by the CPR particular attention should be paid to regions and undertakings affected by restructuring and relocation processes. Sustainable development also requires compliance with the environmental acquis.

1.2.2 Sustainable Development considerations as well as the polluter pays principle must, therefore, be an integral part of every plan, from design to delivery, and monitoring to evaluation. Non-application of the polluter pays principle may be permitted only in the exceptional cases that are foreseen in Articles 192 of the Treaty on the Functioning of the European Union (TFEU) and provided that clear mitigating measures are in place.

1.2.3 In order to tackle the complex challenges they face, Member States and regions must deploy all available Union policy instruments. In particular, for the purposes of tackling climate change which present different risks for different regions, resources must be focused on preventive and mitigating measures, while minimising external costs. Any new investment made with the support of the Funds covered by the CPR must be highly energy and resource-efficient and of a nature such that it is inherently resilient to the impact of climate change and natural disasters.

1.2.4 Investments supported by ERDF and CF in Member States' and Regions infrastructures; shall meet the requirements of the environmental acquis (e.g. the water framework¹, habitat, waste and other relevant directives). Technological solutions, aimed at contributing to sustainable actions, exist and new ones are emerging, the ERDF must therefore continue to provide support to research in this area. Such support must aim to complement measures covered by Horizon 2020. Finance for biodiversity actions may also be made available through the funds covered by the CPR, in line with the prioritized action framework referred to in Article 8(4) of the Habitats Directive (92/43/EEC²). The EAFRD may also be used to provide support for sustainable management of natural resources, to foster knowledge transfer and innovation, enhance the competitiveness of agriculture and the inclusive development of rural areas. It is expected that the EMFF will help to achieve the growth, jobs and sustainability objectives of the reformed Common Fisheries Policy and will support the implementation of the EU Integrated Maritime Policy. The EMFF will be able to finance sustainable fisheries and aquaculture, contributing to sustainable marine ecosystems and inclusive territorial development and management.

¹ OJ ref.....Directive 2000/60/EC of the European Parliament and of the Council of 23 October 2000.

² OJ L 206, 22.7.1992, p. 7.

1.2.5 Pursuing sustainable development must not be a technical exercise. In order to ensure

that this goal is mainstreamed in the operation of the Funds covered by the CPR on the ground, managing authorities must have due and consistent regard to this goal throughout the programme lifecycle, and must take a more active approach in reducing environmentally harmful effects of interventions and promoting sustainable management of biodiversity and ecosystems, especially in the outermost regions, by, inter alia, doing the following:

- a) directing investments towards the most resource-efficient options,*
- b) carefully weighing the need for investments where those investments have a significantly negative environmental impact,*
- c) taking a long-term perspective when 'life-cycle' costs of alternative methods of investment are compared,*
- d) using green public procurement,*
- e) directing investments towards accessibility for all users contributing to a barrier-free environment for persons with disabilities*

1.3 Promotion of equality between men and women and non-discrimination

1.3.1 Member States and regions must take appropriate steps to eliminate inequalities between men and women, and prevent discrimination based on sex, racial or ethnic origin, religion or belief, disability, age, sexual orientation or gender identity, at all stages of the implementation of the Funds covered by the CPR.

1.3.2 Member States and regions must pursue the objective of equality between men and women and must take appropriate steps to prevent any discrimination during the preparation, implementation, monitoring and evaluation of operations in the programmes co-financed by the Funds covered by the CPR and clearly state the actions to take into account this principle in the programmes.

1.3.3 Higher participation of women on an equal footing with men in the labour market, both as employers and employees, would invigorate the Union's economy. Unblocking the potential for such an increase in activity, by raising the female employment rate, is crucial for reaching the Europe 2020 employment targets. Barriers to women's labour market participation, must, therefore, be fully assessed and addressed, promoting, inter alia, the reduction of labour market segmentation by occupational field and sector. Member States and regions must ensure through specific actions that in addition to the ESF, the other four Funds covered by the CPR also finance activities that promote women's economic independence, contribute to attaining an appropriate balance between work, personal and family life, and that advance women's opportunities as entrepreneurs.

1.3.4 Monitoring and evaluating programmes will help to measure the impact of the expected contribution of the Funds covered by CPR to gender equality.

1.4 Accessibility

1.4.1 All products and services that are offered to the public and co-financed by the Funds covered by the CPR must be accessible. In particular, for the purposes of inclusion of disadvantaged groups, including persons with disabilities, it is essential that Member States ensure and promote, through appropriate steps, 'barrier-free' transport, information and communication technologies and a 'barrier free' built environment..

1.4.2 It is crucial to address the needs of disadvantaged groups appropriately in order to

allow them to better integrate into the labour market, and to fully participate in society.

1.4.3 Member States and regions must continue to promote social cohesion, on an equal footing with economic and territorial cohesion, across all Union regions, if the EU 2020 Strategy is to achieve its targets.

1.5 Demography

1.5.1 Adapting to demographic change is one of the core challenges facing Member States and regions for the decades to come. The combination of a smaller working population and a higher share of retired people as well as the problems of population dispersion, will place additional strains on Member States' welfare systems and thus on the Union's economic competitiveness.

1.5.2 Demographic change gives rise to a broad range of new challenges. Such demographic developments must be analysed, at regional and local level in particular, wherever different development trends become apparent. Member States and regions must, where appropriate, draw on the Funds covered by the CPR to develop tailor-made strategies to tackle demographic problems and to create opportunities for developing the 'silver economy'.

1.5.3 Member States and regions shall use the Funds covered by the CPR to take action to facilitate inclusion of all age groups, fostering, inter alia, the creation of job opportunities for the elderly. Greater inclusion will bring about significant benefits for people, including for younger people with disabilities, society as a whole, as well as benefits for public budgets. Making the best use of all existing human resources, including the unemployed youth, reflects one of the immediate tasks for the Funds covered by the CPR in contributing to maximising the potential of all of the Union's population, to be achieved through active inclusion policies, as well as improved access, adequacy and quality of, education-and social support structures. Investments in health infrastructures would serve the same goal of ensuring a long and healthy working life for all of the Union's citizens. Quality job creation for young people in regions with high rates of youth unemployment in comparison to the Union average rate should be a priority. Moreover, Member States and regions shall promote projects that combine social and territorial cohesion, employment targets and strategies with integrated active inclusion approaches, such as projects designed to strengthen intergenerational solidarity at regional and local level and the active inclusion of vulnerable groups.

1.5.4 In the most disadvantaged areas, social exclusion can be treated successfully in the framework of comprehensive, multi-fund programmes which target human resource development and social infrastructure development.

1.5.5 In drawing up their programmes, Member States and regional authorities must take account of the long-term challenges of demographic change. In the regions most affected by demographic change, Member States and regions must identify measures to:

- a) support demographic renewal through better conditions for families and an improved reconciliation of working, personal and family life;*
- b) boost employment; raise productivity and economic performance through investing in education, research & development and innovation;*
- c) focus, as appropriate, on the adequacy and quality of education and training, social protection and social support structures; and*

d) ensure provision of health, social services and long-term care including investment in infrastructure.

1.6 Integrated approach

1.6.1 An integrated territorial approach is essential in order to respond effectively to the challenges Member States and regions are confronted with. Those challenges are related to the impacts of: globalisation; environmental and energy concerns; ageing-related problems and demographic change; technological transformation and innovation demands; income inequality and social segregation. The complex and interrelated nature of such issues means that solutions must be integrated, multi-sectoral and multi-dimensional in nature in order to succeed.

1.6.2 In this context, the combined use of the Funds covered by the CPR offers the possibility of combining the power of different Union funds into integrated packages which are tailor-made to fit specific territorial needs. The instruments concerning territorial development provided for in this Regulation will enable the effectiveness and efficiency of policies to be increased.

1.6.3 Special attention shall be given to areas in which instruments of other Union policies explicitly provide for an integrated approach, and, where relevant, resources from one or more of the Funds covered by the CPR shall be allocated, with a view to ensure joint funding for integrated projects, especially in the field of environment and climate.

1.6.4 To fully address the principle of territorial cohesion, the integrated approach to promoting smart, sustainable and inclusive growth needs to reflect the role of cities, rural areas, fisheries and coastal areas, areas facing specific geographical or demographic problems, and take account of the specific challenges of the outermost regions, the northernmost regions with a very low population density and of island, cross-border or mountain regions. It also needs to address urban-rural linkages, in terms of access to affordable, quality infrastructure and services.

1.6.5 When developing their strategies and programmes with a view to identifying the most appropriate areas for intervention, Member States together with regions and local governments must pay particular attention to predominant territorial, structural and institutional features, such as connectivity of the territory in question, employment patterns and labour market structure, cross-border interconnections, potential for more sustainable use of natural resources including renewables, rural-urban linkages biodiversity, local interdependencies between different sectors; cultural and historical heritage, and ageing and demographic shifts etc.

1.6.6 Member States together with their regions and local government must analyse what the major economic and societal challenges facing them are. In response to those challenges, they must also consider which particular aspects of the well-being of their citizens they wish to influence and enhance by means of cohesion policy, and how that policy is to be designed and delivered in the particular context of the Member State or region in question.

1.6.7 So as to foster effective policies which are tailored to specific regional needs, Member States and regions must further develop an integrated territorial approach to policy design and delivery, taking account of relevant contextual aspects but focusing on the following central elements:

- a) *an evaluation of Europe 2020 development potential, capacity and development challenges and the ability of Member States, regions and local governments to address them;*
- b) *an evaluation and assessment of implementation of new territorial instruments such as Integrated territorial investments, Joint Action Plans and Community-led local development;*
- c) *where appropriate, an assessment of challenges of a cross-border nature;*
- d) *a consideration of the appropriate territorial scale and context for policy design and delivery, in keeping with the principle of subsidiarity;*
- e) *the design of multi-level governance arrangements necessary to ensure effective policy delivery;*
- f) *consideration of multi-fund programmes;*
- g) *the choice of appropriate result and outcome indicators, for use as part of policy monitoring and evaluation.*

2. Synergies and coordination of Funds covered by the CPR with instruments of other Union policies

2.1 Introduction

2.1.1 With a view to achieving optimal results for sustainable growth and development on the ground, it is important to coordinate all Union policies and any of their instruments which play a role in achieving economic, social and territorial cohesion and a better balanced territorial development in the Union. This must also be reflected in better coordination between the Union budget and the Member States' national and sub-national budgets, in strengthening the integration and effectiveness of policies and the control over public finance balances, and in financing common political priorities as well as in improved vertical cooperation between the Union and national, regional and local entities.

2.1.2 The Commission shall ensure maximum coordination of its relevant services in the course of negotiation and implementation of the Partnership Contracts and the programmes.

2.1.3 For the purpose of efficient coordination of Union policies and funds at national level, implementation and control systems must be made as simple as possible. For this purpose Member States shall analyse their institutional system for implementation of the funds and take the steps necessary to simplify it.

2.1.4 Synergies and coordination do not imply one-size-fits-all solutions. In this context, Member States and regions shall undertake a closer analysis of the impact of Union policies in the regions and on cohesion with a view to fostering effective synergies and to identifying and promoting the most suitable means at European level of supporting local and regional investment.

2.1.5 Member States and regions must ensure consistency at programming and implementation stages between interventions supported by the Funds covered by the CPR and the objectives of other Union policies. To this end, they must seek to:

- a) *identify and exploit complementarities between different Union instruments at national and regional level, both in the planning phase and during implementation;*
- b) *optimise existing structures and where necessary establish new ones that facilitate*

the strategic identification of priorities for the different instruments and structures to be coordinated at national level, while avoiding duplication of effort and identifying areas where additional financial support is needed;

c) make full use of the potential to combine support from different instruments to support individual operations, and work closely with those responsible for implementing other national instruments, to deliver coherent and streamlined funding opportunities for beneficiaries.

2.2 Horizon 2020

2.2.1 It is crucial to strengthen synergies and complementarities between cohesion policy and Horizon 2020, while establishing a clear division of areas of intervention between them.

2.2.2 In particular, Member States and regions must develop a national or regional research and innovation (R&I) strategy for 'smart specialisation' in line with the National Reform Program. Such strategies must be developed through close collaboration between relevant managing authorities and the authorities directly involved by Horizon 2020, but also involving stakeholders such as universities and higher education institutions, local industry, SMEs, and social partners. Such innovation strategies must take into account both upstream and downstream actions to and from Horizon 2020.

2.2.3 Upstream actions to prepare regional R&I players to participate in Horizon 2020 projects ("stairways to excellence") must be developed through capacity building. Communication and cooperation between Horizon 2020 national contact points and managing authorities of the Funds covered by the CPR must be strengthened.

2.2.4 Downstream actions must provide the means to exploit and diffuse R&I results, stemming from Horizon 2020, into the market and into the wider research community, while giving particular attention to the creation of an innovation-friendly business environment for SMEs and regional industry. Such actions may include, inter alia, pilot plants and demonstration sites, proof of concept and early stage financing, incubation facilities, applied research, specific industrial and technology transfer capabilities and cluster support.

2.2.5 Joint support must be provided to national and regional authorities for the design and implementation of such innovation strategies, which may include: support to identify opportunities for joint financing of R&I infrastructures of European interest, the promotion of international collaboration, methodological support through peer reviews, exchange of good practice, and training across regions.

2.2.6 Member States and regions must consider the following additional measures aimed at unlocking their potential for excellence and innovation, in a manner that is complementary to, and creates synergies with, Horizon 2020:

- a) linking emerging centres of excellence, and innovative regions in less developed Member States to leading counterparts elsewhere in Europe;*
- b) building links with innovative clusters and recognising excellence in less developed regions;*
- c) establishing "ERA Chairs" to attract outstanding academics; and*
- d) supporting access to international networks for researchers and innovators.*

2.3 LIFE

2.3.1 Synergies with Union policy instruments (both funding and non-funding instruments) aimed at climate change mitigation, environmental protection and ensuring resource efficiency must be exploited where possible.

2.3.2 As programmes will contribute to the goals of sustainable growth through stronger thematic focus and a reinforced sustainable development principle, the synergies referred to in 2.3.1 are inherent in the regulatory framework of the Funds covered by the CPR.

2.3.3 Synergies with LIFE, in particular with integrated projects in the areas of nature (in particular ecosystem services and biodiversity), water, waste, air, climate change mitigation and adaptation, must be pursued, in particular with Integrated Projects. In such cases, the relevant sectoral plans, programmes or strategies (the Prioritised Action Framework, the River Basin Management Plan, the Waste Management Plan), as referred to in the LIFE Regulation, will serve as the coordination framework for support from the different Funds. Coordination with LIFE must be ensured through supporting projects that are of a complementary nature, as well as by promoting the use of solutions, methods and approaches validated under the LIFE Programme. In this context, in the case of Partnership Contracts that identify the environment or climate as thematic objectives (thematic objectives 4, 5, 6 as set out in Article 9), Member States shall ensure that priority is given to funding activities that complement integrated projects in those fields.

2.3.4 Provision must be made in Programmes, where appropriate, for arrangement of cooperation on environmental and climate priorities between different sectoral administrations at the appropriate territorial level. Such provisions may outline, inter alia, the identification of potential activities to complement integrated projects in the environment and climate field, and the determination of funding areas in which the use of solutions, methods and approaches validated under the LIFE programme could be beneficial.

2.3.5 Where appropriate, the use of Environmental Impact Assessments (EIAs), Sustainability Impact Assessments (SIAs), Strategic Environmental Assessments (SEAs) and other relevant instruments must be enhanced in order to prevent and take account of biodiversity loss and the effects of climate change in territorial planning (including macro-regional strategies) and regional and local decision-making.

2.3.6 Member States and regions shall promote green infrastructure, eco-innovation, ecosystem-based solutions, energy efficiency and the adoption of innovative technologies in order to create a greener economy.

2.3.7 Capacity building is a prerequisite to deliver on such activities, and it must enhance the potential and develop the skills of both local and regional authorities and partners.

2.3.8 Given that environmental challenges do not respect administrative boundaries, cross-border, interregional and transnational cooperation among European, national, regional and local authorities with regard to protecting biodiversity and natural resources across regions is of utmost importance. Better use of the potential of territorial cooperation and exchanges of information, experience and good practice would contribute significantly to achieving environmental and climate-related objectives.

2.3.9 In addition, financing from the Funds covered by the CPR must, where appropriate, be coordinated with the support from the NER 300 Programme, which uses revenue from

auctioning allowances under the European Emissions Trading Scheme, in order to boost renewable energy sources and energy saving measures³.

³ *OJ L 290, 6.11.2010, p. 39–48 2010/670/EU: Commission Decision of 3 November 2010 laying down criteria and measures for the financing of commercial demonstration projects that aim at the environmentally safe capture and geological storage of CO₂ as well as demonstration projects of innovative renewable energy technologies under the scheme for greenhouse gas emission allowance trading within the Community established by Directive 2003/87/EC of the European Parliament and of the Council (2010/670/EU) OJ L 275, 25.10.2003, p. 32–46.*

2.4 ERASMUS for All

2.4.1 Synergies between the Funds covered by the CPR and the ‘Erasmus for All’ programme must be ensured in order to maximise the efficiency of the tools developed and the social and economic impact of investment in people. That investment will crucially benefit both individuals and society as a whole by contributing to growth and prosperity, providing a better intercultural understanding, giving access to a wide range of education and training actions, and giving impetus to youth initiatives and citizen actions. ‘Erasmus for All’ supports mainly transnational projects, whereas cohesion Policy has a more pronounced regional dimension. Member States and Regions are encouraged to test tools and methods resulting from transnational cooperation through ‘Erasmus for All’ and then to implement them on their territory through the Funds covered by the CPR.

2.4.2 The Commission and Member States must ensure effective coordination between cohesion policy and ‘Erasmus for All’ through a clear distinction in the types of investment and target groups supported, including vulnerable groups. ‘Erasmus for All’ shall focus its support on transnational projects including the mobility of students, youth, entrepreneurs and representatives of local and regional councils; on strategic partnerships between organisations and institutions across Europe and on actions supporting policy development and implementation. The primary investment priority targets for cohesion policy must respond to the need to ensure complementarity to “Erasmus for all” in the fields of: education, labour market training (to support young adults in search for work or a change in their career), adult learners in general, as well as capacity building, especially in less developed and transition regions.

2.4.3 Furthermore, enhanced results will be achieved by promoting complementarity of funding for mobility and the funding of activities that mainstream best practices and innovative projects identified at Union level under ‘Erasmus for All’. The National Agencies, established under this programme, can contribute to achieving this coordination and can foster a real, transparent and easily accessible communication towards the citizens at Union, national and regional level.

2.5 Programme for Social Change and Innovation (PSCI)

2.5.1 The synergies between the Funds covered by the CPR and the European Union Programme for Social Change and Innovation (PSCI) should be increased, by providing financial support for the Union's objectives in terms of promoting a high level of high-quality employment, guaranteeing adequate and decent social protection, combating social exclusion and poverty, improving working conditions and improving the employment and

educational situation of young people.

2.5.2 Member States should exploit the synergies referred to in 2.5.1 and deliver on complementary actions under ESF in a manner that is consistent with activities carried out under the PSCI in areas such as social dialogue, fundamental rights, equal opportunities, education, vocational training, children's rights and well-being, youth policy, migration policy, research and innovation, entrepreneurship, health, working conditions, enlargement and external relations, as well as general economic policy.

2.5.3 In border regions, EURES cross-border partnerships play an important role in developing a genuine European labour market. EURES cross-border partnerships should, therefore, continue to be supported through horizontal Union activities, which could be complemented by national resources or by the ESF.

2.5.4 Member states should coordinate corresponding actions under the Funds covered by the CPR, in particular under the ESF and the ERDF, with actions of the PSCI-pillar microfinance, that are aimed at increasing access to, and the availability of microfinance for persons, who:

- a) have lost or are at risk of losing their jobs;*
- b) have difficulties in entering or re-entering the labour market;*
- c) are at risk of social exclusion;*
- d) are vulnerable persons in disadvantaged positions with regard to access to the conventional credit market and who wish to start up or develop their own micro-enterprises, including as self-employed individuals, without any discrimination regarding age; and for*
- e) micro-enterprises, especially in the social economy, and micro-enterprises which employ persons having greatest difficulties in entering the labour market.*

2.6 CEF + TENs, energy and telecommunications networks

2.6.1 In order to maximise European added value, and so as to ensure that optimal links of different types of infrastructure (in Transport, Energy and Telecommunications) at local, regional and national levels, and across the Union are provided for, complementarity and coordination must be ensured, in the fields of intervention common to the ERDF and the Cohesion Fund, Trans-European Networks and the Connecting Europe Facility (CEF). Maximum leverage of funds must be ensured for projects with a European and Single Market dimension, in particular priority transport, energy and digital networks. In particular, the east-west connections require improvement, through the creation of new transport infrastructure and/or maintenance, rehabilitation or upgrading of existing infrastructure.

2.6.2 Just as national infrastructure needs to be planned coherently, both by taking into account the development of Union cross-border links, and by developing links across regions within a Member State, plans must be based on real and projected transport demand and must identify missing links and bottlenecks. Investment in regional connectivity to the comprehensive network and to the core Trans European Network of transport infrastructure (TEN-T) network must ensure that urban and rural areas benefit from the opportunities created by major networks and the filling in of missing links of sustainable transport modes in trans-border connections.

2.6.3 Prioritisation of investments which have an impact beyond a certain Member State,

must be coordinated with TEN-T planning so that investments by the ERDF and the Cohesion Fund in transport infrastructure are fully in line with the TEN-T Guidelines, which define the Union's transport priorities, including: accessibility for elderly people and disabled passengers, addressing the climate change challenge, the future development of an integrated TEN-T network, and the multimodal corridor concept.

2.6.4 The Commission's White Paper on Transport⁴ sets out a vision for a competitive and resource-efficient transport system, highlighting that a significant reduction in greenhouse gases is required in the transport sector. For the Funds covered by the CPR, this means focusing on sustainable forms of transport and investing in areas that offer the greatest European added value, for example Trans-European Networks. Once identified, investments must be prioritised according to their contribution to accessibility and mobility, sustainability, reducing greenhouse gas emissions, increasing safety, noise reduction and to the Single European Transport Area.

⁴ "Roadmap to a Single European Transport Area – Towards a competitive and resource efficient transport system" COM 2011) 144 final

2.6.5 Member States and regions must focus investments on building new infrastructure and enhancing the capacity of existing infrastructure through substantial upgrading.

2.6.6 With regard to maritime transport, ports must be developed as efficient entry and exit points through full integration with land infrastructure. Priority must be given to projects concerning port access and hinterland connections. The contribution to sustainable European freight transport networks through the development of inland waterways must be reinforced but not without a prior assessment of their environmental impact.

2.6.7 In particular, complementarity must be sought between infrastructure investments by the ERDF and the Cohesion Fund, under shared management, and by the Connecting Europe Facility (CEF), which is a centrally managed facility with competitive project selection. The CEF is to fund projects on the core network (the strategically most important parts of the comprehensive network) that have the highest European added-value and appear to be the most complex with regard to the TEN-T in terms of implementation: cross-border missing links, key bottlenecks and interconnection of transport modes. The Cohesion Fund will concentrate on high European added-value projects to remove bottlenecks in transport networks by supporting TEN-T infrastructure, for both the core and the comprehensive network.

2.6.8 The Cohesion and Structural Funds must ensure that local and regional infrastructures and their linkages complement priority Union networks. Furthermore special attention must be given to border regions and to the energy and telecommunication sectors also. Moreover, it is expected that the Cohesion and Structural funds will promote sustainable urban mobility through investments aimed at, inter alia, bypassing urban areas, promotion of modern and environmentally friendly public transport, intelligent traffic management systems as well as public logistic platforms or intermodal terminals.

2.6.9 The CEF is complementary to the Cohesion and Structural Funds since it contributes to the achievement of regional and local development goals in terms of infrastructure, in order to deliver maximum added value for a functional, integrated single Market and for social, economic and territorial cohesion.

2.7 IPA, ENPI, EDF

2.7.1 Increased synergies between external instruments and cohesion policy must be sought in order to improve effectiveness in achieving multiple Union policy objectives. In particular, synergies and complementarities must be built upon with regard to the European Development Fund, the Pre-Accession Instrument and the European Neighbourhood Instrument.

2.7.2 Given their role in contributing to deeper territorial integration, synergies between territorial cooperation activities under cohesion policy and the European Neighbourhood Instruments must be capitalised upon. The potential for creating complementarities between such instruments is strongest with regard to cross-border cooperation activities and macro-regional strategies. Member States and regions must, therefore, ensure that existing activities are associated with newly created European Groupings of Territorial Cooperation, having special regard to coordination and exchange of best practices between all relevant partners.

3. Coordination mechanism for Funds covered by the CPR

3.1 Member States and regions must ensure that the interventions financed through the Funds covered by the CPR create synergies and that streamlining leads to a reduction of administrative costs and burdens for the parties involved.

3.2 Ministries and managing authorities responsible for the implementation of the Funds covered by the CPR must work closely together in the preparation, implementation, monitoring and evaluation of the Partnership Contract and programmes. In particular, they must:

- a) ensure the development of a coordination mechanism for the funds covered by the CPR, i.e. the coordination between cohesion policy, rural development and maritime policy;**
- b) identify areas of intervention where the Funds covered by the CPR can be combined in a complementary manner to achieve the thematic objectives set out in this Regulation, i.e. interventions in cross-border cooperation areas;**
- c) promote a multi-funds approach and develop, consequently, multi-fund operational programmes;**
- d) promote the involvement of other managing authorities and relevant ministries, by managing authorities responsible for one of the Funds covered by the CPR, in the development of support schemes to ensure synergies and avoid overlaps ;**
- e) establish joint monitoring committees, where appropriate, for programmes implementing Funds covered by the CPR, and the development of other joint management and control arrangements to facilitate coordination between authorities responsible for the implementation of Funds covered by the CPR;**
- f) make use of joint eGovernance solutions aimed at applicants and beneficiaries, and of "one-stop shops" for advice on the opportunities of support available through each of the Funds covered by the CPR.**

4. Priorities for territorial cooperation (cross-border, transnational and interregional)

4.1 Great potential for regional development, job creation and cohesion lies in cooperation that goes beyond administrative borders and attempts to overcome the natural ones. Co-

operation based on a shared need in a shared territory is often the most effective form.

4.2 Cross-border cooperation derives from an understanding that many challenges do not stop at administrative borders. An effective response to such challenges requires joint, cooperative action and sharing of knowledge at the appropriate territorial level.

4.3 Furthermore, the embedded potential of border regions can be tapped through locally oriented support measures.

4.4 The two existing macro-regional strategies have paved the way for organising interested parties into carrying out joint actions at the appropriate territorial level. Those strategies have increased the understanding of the necessity of cooperation in tackling problems which cannot be solved by one Member State only, such as for example, the environmental clean-up of the Baltic Sea or the Danube. Projects within macro-regional strategies and other forms of territorial cooperation may be supported through both ERDF and ESF. Furthermore, the specific conditions for support for macro-regional strategies must be, where appropriate, outlined in the programmes.

4.5 Overcoming barriers must be part of the programming of the Funds covered by the CPR – the objectives of the existing macro-regional strategies can be reflected, where appropriate, in the needs analysis and goal setting for the relevant operational programmes from the planning phase on. Those strategies will not have served their purpose unless the objectives of the macro-regional strategies form part of the strategic planning in cohesion policy programmes in the regions and Member States concerned.

4.6 At the same time, Member States and regions must ensure that territorial cooperation programmes make an effective contribution to the Europe 2020 objectives. Member States and regions can thus foster cooperation as well as test, pilot and introduce new solutions, making sure that cooperation is organised in support of the wider policy goals. Where needed, territorial cooperation must be used to bring together policy-makers from across borders to work towards overcoming common problems.

4.7 Member States and regions must view the territorial cooperation programmes primarily as useful tools in overcoming barriers to cooperation, which would in turn support national and regional policy goals with impact beyond the programme area. In this context, particular attention should be paid to the regions covered by Article 349 TFEU.

4.8 Member States and the Commission must ensure that territorial cooperation programs provide for an effective, workable connection between the funds covered by the CPR , the Connecting Europe Facility, and the TENs Regulations.

Amendment 207

Proposal for a regulation

Annex IV – Thematic *ex ante* conditionalities – point 2 – column 2 – sub-point 2.2

Text proposed by the Commission

2.2. Next Generation Access (NGA)
Infrastructure: The existence of national
NGA Plans which take account of regional

Amendment

2.2. Next Generation Access (NGA)
Infrastructure: The existence of national
and/or regional NGA Plans which take

actions in order to reach the EU high-speed Internet access targets focusing on areas where the market fails to provide an open infrastructure at an affordable cost and to an adequate quality in line with the EU competition and state aid rules, and provide accessible services to vulnerable groups.

account of regional actions in order to reach the EU high-speed Internet access targets **and promote territorial cohesion**, focusing on areas where the market fails to provide an open infrastructure at an affordable cost and to an adequate quality in line with the EU competition and state aid rules, and provide accessible services to vulnerable groups.

Amendment 208

Proposal for a regulation

Annex IV – Thematic *ex ante* conditionalities – point 2 – sub-point 2.2 – column 3 – indent 1

Text proposed by the Commission

- A national NGA Plan is in place that contains:

Amendment

- A national **and or regional** NGA Plan is in place that contains:

Amendment 209

Proposal for a regulation

Annex IV – Thematic *ex ante* conditionalities – point 6 – sub-point 6.1 – column 3 – indent 1

Text proposed by the Commission

– A Member State has **ensured** contribution of the different water uses to the recovery of the costs of water services by sector in accordance with Article 9 of Directive 2000/60/EC.

Amendment

– A Member State has **taken measures to ensure that** the different water uses **contribute** to the recovery of the costs of water services by sector in accordance with Article 9 of Directive 2000/60/EC.

Amendment 210

Proposal for a regulation

Annex IV – Thematic *ex ante* conditionalities – point 8 – sub-point 8.1 – column 3 – indent 1 – sub-indent 1

Text proposed by the Commission

- personalised services and active and preventive labour market measures at an

Amendment

- personalised services and active and preventive labour market measures at an

early stage, which are open for all jobseekers;

early stage, which are open for all jobseekers, ***including people from marginalised communities***;

Amendment 211

Proposal for a regulation

Annex IV – Thematic *ex ante* conditionalities – point 9 – sub-point 9.1 – column 3 – indent 2 – sub-indent 2

Text proposed by the Commission

– is comprehensive (e.g. covering all educational sectors including early childhood development) and adequately addresses prevention, intervention and compensation measures;

Amendment

– is comprehensive (e.g. covering all educational sectors including early childhood development) ***effectively targets vulnerable groups that are most at risk of ESL, such as Roma*** and adequately addresses prevention, intervention and compensation measures;

Amendment 212

Proposal for a regulation

Annex IV – Thematic *ex ante* conditionalities – point 9 – sub-point 9.1 – column 3 – indent 2 – sub-indent 3 a (new)

Text proposed by the Commission

Amendment

- pays special attention to the special needs of groups at increased risk of early school leaving, also through prevention of early school leaving, with access to quality, diverse early childhood development programs, home-based and community-based learning initiatives and free childcare services;

Amendment 213

Proposal for a regulation

Annex IV – Thematic *ex ante* conditionalities – point 9 – sub-point 9.1 – column 3 – indent 2 – sub-indent 4

Text proposed by the Commission

– cuts across-sectors, and involves and coordinates all policy sectors and stakeholders that are relevant to address ESL.

Amendment

– cuts across-sectors, and involves and coordinates all policy sectors and stakeholders, ***including the areas of culture, arts and sport***, that are relevant to address ESL.

Amendment 214

Proposal for a regulation

Annex IV – Thematic *ex ante* conditionalities – point 9 – sub-point 9.2 – column 3 – indent 1 – sub-indent 2 – point 2

Text proposed by the Commission

– increase higher education participation among low income groups and other under-represented groups;

Amendment

– increase higher education participation among low income groups and other under-represented groups, ***with special regard to groups that are most vulnerable***;

Amendment 215

Proposal for a regulation

Annex IV – Thematic *ex ante* conditionalities – point 9 – sub-point 9.3 – column 3 – indent 1 – sub-indent 2

Text proposed by the Commission

– measures for the effective provision of skills development for young people in vocational training, adults, women returning in the labour market, low skilled and older workers, and other disadvantaged groups;

Amendment

– measures for the effective provision of skills development for young people in vocational training, adults, women returning in the labour market, low skilled and older workers, ***marginalized communities, such as Roma*** and other disadvantaged groups;

Amendment 216

Proposal for a regulation

Annex IV – Thematic *ex ante* conditionalities – point 9 – sub-point 9.3 – column 3 – indent 1 – sub-indent 4

Text proposed by the Commission

– measures to improve the relevance of education and training and to adapt it to the needs of identified target groups;

Amendment

– measures to improve the relevance of education and training and to adapt it to the needs of identified target groups ***with special needs, such as the permanently unemployed and marginalized communities;***

Amendment 217

Proposal for a regulation

Annex IV – Thematic *ex ante* conditionalities – point 10 – sub-point 10.1 – column 3 – indent 1 – sub-indent 2

Text proposed by the Commission

- ***is in accordance with*** the national poverty and social exclusion target (as defined in the National Reform Programme), which includes the extension of employment opportunities for disadvantaged groups;

Amendment

- ***lays out concrete proposals and public policy measures designed to work towards the achievement of*** the national poverty and social exclusion target (as defined in the National Reform Programme ***and National Social Reports***), which includes the extension of ***quality*** employment opportunities for disadvantaged groups;

Amendment 218

Proposal for a regulation

Annex IV – Thematic *ex ante* conditionalities – point 10 – sub-point 10.1 – column 3 – indent 2 – sub-indent 1

Text proposed by the Commission

- sets achievable national goals for Roma integration to bridge the gap with the general population. These targets should address, as a minimum, the four EU Roma integration goals relating to access to education, employment, healthcare and housing;

Amendment

- sets achievable national goals for Roma integration to bridge the gap with the general population. These targets should address, as a minimum, the four EU Roma integration goals relating to access to education, employment, healthcare and housing ***reflected in public policy measures;***

Amendment 219

Proposal for a regulation

Annex IV – Thematic *ex ante* conditionalities – point 10 – sub-point 10.1 – column 3 – indent 2 – sub-indent 2

Text proposed by the Commission

– is coherent with the National Reform Programme;

Amendment

– is coherent with the National Reform Programme ***and the national strategy for poverty reduction***;

Amendment 220

Proposal for a regulation

Annex IV – Thematic *ex ante* conditionalities – point 11 – column 1

Text proposed by the Commission

11. Enhancing institutional capacity and efficient public administration
(referred to in Article 9(11))

Amendment

11. Enhancing institutional capacity and efficient public administration ***and promoting capacity building for stakeholders***

(referred to in Article 9(11))

Amendment 221

Proposal for a regulation

Annex IV – Thematic *ex ante* conditionalities – point 11 – column 3 – indent 1

Text proposed by the Commission

- A strategy for reinforcing a Member State's administrative efficiency is in place and in the process of being implemented¹. The strategy includes:

Amendment

- A strategy for reinforcing a Member State's ***regional and local authorities'*** administrative efficiency ***and their skills to implement participative methods*** is in place and in the process of being implemented¹. The strategy includes:

Amendment 222

Proposal for a regulation

Annex IV – General ex-ante conditionalities – point 1 – column 3 – indent 1 – sub-indent 3 a (new)

Text proposed by the Commission

Amendment

- arrangements for collecting disaggregated data on the Roma, the disabled, women, and young and elderly people, and using them in monitoring and evaluation;

Amendment 223

Proposal for a regulation

Annex IV – General ex-ante conditionalities – point 2 – column 2

Text proposed by the Commission

Amendment

The existence of a strategy **for the promotion of gender equality** and a mechanism which ensures its effective implementation.

The existence of a strategy **in order to reach the Union gender equality objectives** and a mechanism which ensures its effective implementation **through gender mainstreaming and specific actions**.

Amendment 224

Proposal for a regulation

Annex IV – General ex-ante conditionalities – point 2 – column 3 – indent 1 – sub-indent 2

Text proposed by the Commission

Amendment

– a plan and ex-ante criteria for the integration of gender equality objectives through gender standards and guidelines;

– a plan and ex-ante criteria for the integration of gender equality objectives through gender **equality** standards and guidelines **for all of the Funds covered by the CPR**;

Amendment 225

Proposal for a regulation

Annex IV – General ex-ante conditionalities – point 2 – column 3 – indent 1 – sub-indent 3

Text proposed by the Commission

– implementation mechanisms including involvement of a gender body and the relevant expertise to draft monitor and evaluate the interventions.

Amendment

– implementation mechanisms including involvement of a gender body **or gender experts** and the relevant expertise to draft monitor and evaluate the interventions.

Amendment 226

Proposal for a regulation

Annex V – part 2 – section 2.1 – paragraph 3

Text proposed by the Commission

3. The managing authority shall involve in information and publicity measures, in accordance with national laws and practices, the following bodies:

- (a) the partners referred to in Article 5;
- (b) information centres on Europe, as well as Commission representation offices in the Member States;
- (c) educational and research institutions.

These bodies shall widely disseminate the information described in Article 105(1)(a) and (b).

Amendment

3. The managing authority shall involve in information and publicity measures, in accordance with national laws and practices, **at least one of** the following bodies:

- (a) the partners referred to in Article 5;
- (b) information centres on Europe, as well as Commission representation offices **and Information Offices of the European Parliament**, in the Member States;
- (c) educational and research institutions.

These bodies shall widely disseminate the information described in Article 105(1) (a) and (b).

Amendment 227

Proposal for a regulation

Annex V – part 3 – section 3.1 – paragraph 2

Text proposed by the Commission

2. The managing authority shall ensure that potential beneficiaries are informed on at least the following:

- (a) the conditions of eligibility of expenditure to be met in order to qualify for support under an operational

Amendment

2. The managing authority shall ensure that potential beneficiaries are informed, **using a range of accessible methods**, on at least the following:

- (a) the conditions of eligibility of expenditure to be met in order to qualify for support under an operational

programme;

(b) a description of the procedures for examining applications for funding and of the time periods involved;

(c) the criteria for selecting the operations to be supported;

(d) the contacts at national, regional or local level that are able to provide information on the operational programmes;

(e) that applications should propose communication activities, proportional to the size of the operation, in order to inform the public about the operation's aims and the EU support to the operation.

programme;

(b) a description of the procedures for examining applications for funding and of the time periods involved;

(c) the criteria for selecting the operations to be supported;

(d) the contacts at national, regional or local level that are able to provide information on the operational programmes;

(da) any change to the information referred to in points (a) to (d), at least three months before that change comes into effect;

(e) that applications should propose communication activities, proportional to the size of the operation, in order to inform the public about the operation's aims and the EU support to the operation.

Amendment 228

Proposal for a regulation

Annex V – part 4 – paragraph 1 – point i

Text proposed by the Commission

(i) an annual update setting out the information and communication activities to be carried out.

Amendment

(i) an annual update setting out the information and communication activities to be carried out, ***as envisaged at the time the update was completed.***

Amendment 229

Proposal for a regulation

Recital 1

Text proposed by the Commission

(1) Article 174 of the Treaty provides that, in order to strengthen its economic, social and territorial cohesion, the Union shall aim at reducing disparities between the levels of development of the various

Amendment

(1) Article 174 of the Treaty provides that, in order to strengthen its economic, social and territorial cohesion, the Union shall aim at reducing disparities between the levels of development of the various

regions and the backwardness of the least favoured regions or islands, particular rural areas, areas affected by industrial transition, and regions which suffer from severe and permanent natural or demographic handicaps. Article 175 of the Treaty requires that the Union would support the achievement of these objectives by action it takes through the European Agricultural Guidance and Guarantee Fund, Guidance Section, the European Social Fund, the European Regional Development Fund, the European Investment Bank and other instruments.

regions and the backwardness of the least favoured regions or islands, particular ***attention shall be paid to*** rural areas, areas affected by industrial transition, and regions which suffer from severe and permanent natural or demographic handicaps ***inter alia, outermost regions, northernmost regions with very low population density and island, cross-border and mountain regions.*** Article 175 of the Treaty requires that the Union would support the achievement of these objectives by action it takes through the European Agricultural Guidance and Guarantee Fund, Guidance Section, the European Social Fund, the European Regional Development Fund, the European Investment Bank and other instruments.

Amendment 230

Proposal for a regulation Recital 1 a (new)

Text proposed by the Commission

Amendment

(1a) Regulation (EU) No [...] /2012 of the European Parliament and of the Council on the financial rules applicable to the annual budget of the Union¹ lays down the general principles with regard to the implementation of the annual budget of the Union. It is necessary to ensure consistency between that Regulation and the provisions governing this Regulation.

¹ ***OJ L***

Amendment 231

Proposal for a regulation Recital 2

Text proposed by the Commission

(2) In line with the conclusions of the European Council of 17 June 2010, whereby the Union strategy for smart, sustainable and inclusive growth was adopted, the Union and Member States should implement the delivery of smart, sustainable and inclusive growth, while promoting harmonious development of the Union and reducing regional disparities.

Amendment

(2) In line with the conclusions of the European Council of 17 June 2010, whereby the Union strategy for smart, sustainable and inclusive growth was adopted, the Union and Member States should implement the delivery of smart, sustainable and inclusive growth, while promoting harmonious development of the Union and reducing regional disparities.
Cohesion policy plays a predominant role for the accomplishment of the EU 2020 objectives and a sound autonomous cohesion policy is a prerequisite for a successful implementation of this strategy.

Amendment 232

**Proposal for a regulation
Recital 5**

Text proposed by the Commission

(5) The outermost regions should benefit from specific measures and additional funding to offset the handicaps resulting from the factors referred to in Article 349 of the Treaty.

Amendment

(5) The outermost regions should benefit from specific ***effective*** measures ***as well as sufficient*** additional funding ***to take into consideration the remoteness, insularity, social and economic structural circumstances and*** to offset the handicaps resulting from the factors referred to in Article 349 of the Treaty.

Amendment 233

**Proposal for a regulation
Recital 9**

Text proposed by the Commission

(9) For the Partnership Contract and each programme respectively, a Member State should organise a partnership with the representatives of competent regional, local, urban and other public authorities,

Amendment

(9) For the Partnership Contract and each programme respectively, a Member State should organise a partnership ***by concluding a partnership agreement from the earliest stage possible*** with the

economic and social partners, and bodies representing civil society, including environmental partners, non-governmental organisations, and bodies responsible for promoting equality and non-discrimination. The purpose of such a partnership is to respect the principle of multi-level governance, ensure the ownership of planned interventions by stakeholders and build on the experience and know-how of relevant actors. The Commission should be empowered to adopt delegated acts providing for a code of conduct in order to ensure that partners are involved in the preparation, implementation, monitoring and evaluation of Partnership Contracts and programmes in a consistent manner.

competent regional and local authorities. ***Member States should also cooperate, in accordance with their institutional, legal and financial framework with*** other public authorities, economic and social partners and bodies representing civil society, including environmental partners, non-governmental organisations, ***women's organisations*** and bodies responsible for promoting ***gender*** equality and non-discrimination. The purpose of such a partnership is to respect the principle of multi-level governance, ensure the ownership of planned interventions by stakeholders and build on the experience and know-how of relevant actors. The Commission should be empowered to adopt delegated acts providing for a code of conduct in order to ensure that partners are involved in the preparation, implementation, monitoring and evaluation of Partnership Contracts and programmes in a consistent manner.

Amendment 234

Proposal for a regulation

Recital 11

Text proposed by the Commission

(11) In the context of its effort to increase economic, territorial and social cohesion, the Union should, at all stages of implementation of the CSF Funds, aim ***at eliminating*** inequalities and promoting equality between ***men and*** women, ***as well as combating*** discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation.

Amendment

(11) In the context of its effort to increase economic, territorial and social cohesion, the Union should, at all stages of implementation of the Funds ***covered by the CPR***, aim ***to eliminate*** inequalities and ***ensure*** equality between women ***and men both through systematic integration of gender aspects in the programming and the implementation process, and through specific measures in accordance with the EU Strategy for equality between women and men. During that implementation, the Union should also aim to combat*** discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation ***as set out in***

Article 2 of the Treaty on the European Union, Article 10 of the Treaty on the Functioning of the European Union and Article 21 of the Charter of Fundamental Rights.

Amendment 235

Proposal for a regulation Recital 12

Text proposed by the Commission

(12) The objectives of the **CSF** Funds should be pursued in the framework of sustainable development and the Union's promotion of the aim of protecting and improving the environment as set out in **Article 11 and 19** of the Treaty, taking into account the polluter pays principle. *The* Member States should provide information on the support for climate change objectives in line with the ambition to devote at least 20% of the Union budget to this end, using a methodology adopted by the Commission by **implementing** act.

Amendment

(12) The objectives of the Funds **covered by the CPR** should be pursued in the framework of sustainable development and the Union's promotion of the aim of **preserving**, protecting and improving the environment as set out in **Articles 11 and 191** of the Treaty, taking into account the polluter pays principle. Member States should provide information on the support for climate change objectives in line with the ambition to devote at least 20% of the Union budget to this end, using a methodology adopted by the Commission by **delegated** act.

Amendment 236

Proposal for a regulation Recital 13

Text proposed by the Commission

(13) In order to achieve the targets and objectives of the Union strategy for smart, sustainable and inclusive growth, the CSF Funds should focus their support on a limited number of common thematic objectives. The precise scope of each of the CSF Funds should be set out in Funds-specific rules and may be limited to only some of the thematic objectives defined in this Regulation.

Amendment

(13) In order to achieve the targets and objectives of the Union strategy for smart, sustainable and inclusive growth, the CSF Funds should focus their support on a limited number of common thematic objectives, **which leave sufficient scope for flexibility in order to accommodate the specific needs of regions and give adequate responses to them.** The precise scope of each of the CSF Funds should be set out in Funds-specific rules and may be

limited to only some of the thematic objectives defined in this Regulation.

Amendment 237

Proposal for a regulation Recital 14

Text proposed by the Commission

(14) *The Commission should adopt by delegated act a Common Strategic Framework which translates the objectives of the Union into key actions for the CSF Funds, in order* to provide clearer strategic direction to the programming process at the level of Member States and regions. The Common Strategic Framework should facilitate sectoral and territorial coordination of Union intervention under the **CSF** Funds and with other relevant Union policies and instruments.

Amendment

(14) *In order to achieve the objectives defined in the Treaty and the targets of the Union strategy for smart, sustainable and inclusive growth, the Common Strategic Framework should coordinate and balance investment priorities, with the thematic objectives specific to the Funds covered by the CPR set out in this Regulation. The aim of the Common Strategic Framework is* to provide clearer strategic direction to the programming process at the level of Member States and regions. The Common Strategic Framework should facilitate sectoral and territorial coordination of Union intervention under the Funds *covered by the CPR* and with other relevant Union policies and instruments. *The Common Strategic Framework should be set out in an annex to this Regulation.*

Amendment 238

Proposal for a regulation Recital 15

Text proposed by the Commission

(15) The Common Strategic Framework should therefore establish the key areas of support, territorial challenges to be addressed, policy objectives, priority areas for cooperation activities, coordination mechanisms and mechanisms for coherence and consistency with the economic policies of Member States and

Amendment

(15) The Common Strategic Framework should therefore establish the key areas of support, territorial challenges to be addressed, policy objectives, priority areas for cooperation activities, *taking account of macro regional strategies and sea basins strategies, where Member States and regions participate in such strategies,*

the Union.

as well as coordination mechanisms and mechanisms for coherence and consistency with the economic policies of Member States and the Union.

Amendment 239

Proposal for a regulation Recital 15 a (new)

Text proposed by the Commission

Amendment

(15a) Close synergies should be developed between Funds covered by the CPR and Horizon 2020 with a view to strengthening the research and innovation capacities of national and regional actors in the context of smart specialisation strategies and the goal of building a 'Stairway to excellence'. The principle of excellence should be a key element in developing synergies between cohesion policy and research and development, and innovation policies.

Amendment 240

Proposal for a regulation Recital 16

Text proposed by the Commission

Amendment

(16) On the basis ***of the Common Strategic Framework adopted by the Commission***, each Member State should prepare, in cooperation with its partners and in dialogue with the Commission, a Partnership Contract. The Partnership Contract should translate the elements set out ***in the Common Strategic Framework*** into the national context and set out firm commitments to the achievement of Union ***objectives*** through the programming of the ***CSF*** Funds.

(16) On the basis ***of this regulation***, each Member State should prepare, in cooperation with its partners ***as referred to in Article 5 of this Regulation***, and in dialogue with the Commission, a Partnership Contract. The Partnership Contract should translate the elements set out in ***this regulation*** into the national context ***as well as at the appropriate territorial level and in line with the respective institutional, legal and financial framework***; set out firm commitments ***for*** the achievement of ***the objectives of the Union strategy for smart,***

sustainable and inclusive growth and also economic, social and territorial cohesion through the programming of the Funds covered by the CPR, and should outline arrangements to ensure the effective and efficient implementation of the Funds covered by the CPR.

Amendment 241

Proposal for a regulation

Recital 17

Text proposed by the Commission

(17) Member States should concentrate support to ensure a significant contribution to the achievement of Union objectives in line with their specific national and regional development needs. *Ex ante* conditionalities should be defined to ensure that the necessary framework conditions for the effective use of Union support are in place. The fulfilment of those *ex ante* conditionalities should be assessed by the Commission in the framework of its assessment of the Partnership Contract and programmes. In cases where there is a failure to fulfil an *ex ante* conditionality, the Commission should have the power to suspend payments to the programme.

Amendment

(17) Member States should concentrate support to ensure a significant contribution to the achievement of Union objectives in line with their specific national and regional needs ***for sustainable development.*** *Ex ante* conditionalities should be defined to ensure that the necessary framework conditions for the effective use of Union support are in place. ***An ex ante conditionality should be applied only where it has a direct link to and impact on the effective implementation of the Funds covered by the CPR. The Commission should assess the information provided by Member States*** on the fulfilment of *ex ante* conditionalities in the framework of its assessment of the Partnership Contract and programmes. In cases where there is a failure to fulfil an *ex ante* conditionality, the Commission should have the power to suspend payments to the programme, ***in accordance with Fund-specific rules.***

Amendment 242

Proposal for a regulation

Recital 18

Text proposed by the Commission

(18) A performance framework should be defined for each programme with a view to monitoring progress towards the objectives and targets set for each programme over the course of the programming period. The Commission should undertake a performance review in cooperation with the Member States in 2017 and 2019. ***A performance reserve should be foreseen and allocated in 2019 where milestones set in the performance framework have been attained. Due to their diversity and multi-country character, there should be no performance reserve for 'European Territorial Cooperation' programmes.*** In cases where *the shortfall in the achievement of milestones or targets is significant*, the Commission should be able to suspend payments *to the* programme *or, at the end of the programming period, apply financial corrections*, in order to ensure that the Union budget is not used in a wasteful or inefficient way.

Amendment

(18) A performance framework should be defined for each programme with a view to monitoring progress towards the objectives and targets set for each programme over the course of the programming period. The Commission should undertake a performance review in cooperation with the Member States in 2017 and 2019. In cases where, ***as a result of a performance review, there is evidence that a priority failed to achieve the milestones set out in the performance framework***, the Commission should ***call upon the Member State to propose amendments to the relevant programme and when the Member State fails to respond satisfactorily within 3 months, the Commission should*** be able to suspend ***all or part of an interim payment of a priority of a*** programme, in order to ensure that the Union budget is not used in a wasteful or inefficient way. ***The suspension should be lifted as soon as the Member State takes the necessary action.***

Amendment 243

**Proposal for a regulation
Recital 18 a (new)**

Text proposed by the Commission

Amendment

(18a) Following the conclusions of the European Council of 28 and 29 June 2012, public expenditure of Member States assigned as co-financing for the programmes financed by the Funds covered by the CPR, should not be taken into consideration in the calculation of the deficit of the Member State concerned.

Amendment 244

Proposal for a regulation Recital 19

Text proposed by the Commission

(19) Establishing a closer link between cohesion policy and the economic governance of the Union will ensure that the effectiveness of expenditure under the **CSF** Funds is underpinned by sound economic policies and that the **CSF** Funds can, if necessary, be redirected to addressing the economic problems a country is facing. This process has to be gradual, starting with amendments to the Partnership Contract and to the programmes in support of Council recommendations to address macroeconomic imbalances and social and economic difficulties. ***Where, despite the enhanced use of CSF Funds, a Member State fails to take effective action in the context of the economic governance process, the Commission should have the right to suspend all or part of the payments and commitments. Decisions on suspensions should be proportionate and effective, taking into account the impact of the individual programmes for addressing the economic and social situation in the relevant Member State and previous amendments to the Partnership Contract. When deciding on suspensions, the Commission should also respect equality of treatment between Member States, taking into account in particular the impact of the suspension on the economy of the Member State concerned. The suspensions should be lifted and funds be made available again to the Member State concerned as soon as the Member State takes the necessary action.***

Amendment

(19) Establishing a closer link between cohesion policy and the economic governance of the Union will ensure that the effectiveness of expenditure under the Funds ***covered by the CPR*** is underpinned by sound economic policies and that the Funds ***covered by the CPR*** can, if necessary, be redirected to addressing the economic problems a country is facing. ***Conditionality provisions deriving from the Growth and Stability Pact should apply to the CF in relation to the fulfilment of economic governance conditions.*** This process has to be gradual, starting with amendments to the Partnership Contract and to the programmes in support of Council recommendations to address macroeconomic imbalances and social and economic difficulties.

Amendment 245

Proposal for a regulation Recital 20

Text proposed by the Commission

(20) In order to ensure focus on the achievement of the Union strategy for smart, sustainable and inclusive growth, common elements should be defined for all programmes. In order to ensure the consistency of programming arrangements for the **CSF** Funds, the procedures for adoption and amendment of programmes should be aligned. Programming should ensure consistency with the **Common Strategic Framework** and Partnership Contract, coordination of the **CSF** Funds between themselves and with the other existing financial instruments and the European Investment Bank.

Amendment

(20) In order to ensure focus on the achievement of the Union strategy for smart, sustainable and inclusive growth, **as well as economic, social and territorial cohesion**, common elements should be defined for all programmes. In order to ensure the consistency of programming arrangements for the Funds **covered by the CPR**, the procedures for adoption and amendment of programmes should be aligned. Programming should ensure consistency with the **provisions set out in Annex X of this Regulation, with the content of the Partnership Contract and the National Reform Programmes, as well as** coordination of the Funds **covered by the CPR** between themselves and with the other existing financial instruments and the European Investment Bank.

Amendment 246

Proposal for a regulation Recital 21

Text proposed by the Commission

(21) Territorial cohesion has been added to the goals of economic and social cohesion by the Treaty, and it is necessary to address the role of cities, functional geographies and sub-regional areas facing specific geographical or demographic problems. To this end, to better mobilise potential at a local level, it is necessary to strengthen and facilitate community-led local development by laying down common rules and close coordination for all **CSF** Funds. Responsibility for the implementation of local development strategies should be

Amendment

(21) Territorial cohesion **has been added** to the goals of economic and social cohesion by the Treaty, and it is necessary to address the role of cities **and urban areas**, functional geographies and sub-regional areas facing specific geographical or demographic problems. To this end, to better mobilise potential at a local level, it is necessary to strengthen and facilitate community-led local development by laying down common rules and close coordination for all Funds **covered by the CPR**. Responsibility for the **design and**

given to local action groups representing the interests of the community, as an essential principle.

implementation of local development strategies should be given to local action groups representing the interests of the community, as an essential principle.

Capacity building for local stakeholders is of outmost importance, and it should be an element of the local development strategy.

Amendment 247

Proposal for a regulation Recital 22

Text proposed by the Commission

(22) Financial instruments are increasingly important due to their leverage effect on **CSF** Funds, their capacity to combine different forms of public and private resources to support public policy objectives, and ***because*** revolving ***forms*** of ***finance make such support more sustainable over the longer term.***

Amendment

(22) Financial instruments are increasingly important due to their leverage effect on Funds ***covered by the CPR***, their capacity to combine different forms of public and private resources to support public policy objectives, and ***their ability to guarantee a revolving stream of financial means for strategic investments, supporting long-term, sustainable investments and raising Union's growth potential. The provision of grants must always be retained as an option and it must be the responsibility of those involved on the ground to use the funding mix best suited to regional needs.***

Amendment 248

Proposal for a regulation Recital 23

Text proposed by the Commission

(23) Financial instruments supported by the **CSF** Funds should be used to address specific market needs in a cost effective way, in accordance with the objectives of the programmes, and should not crowd out private financing. The decision to finance support measures through financial instruments should be determined therefore

Amendment

(23) Financial instruments supported by the Funds ***covered by the CPR*** should be used to address specific market needs ***and in particular to respond to market failures or sub-optimal investment situations*** in a cost effective way, in accordance with the objectives of the programmes, and should not crowd out private financing. The

on the basis of an *ex ante analysis*.

decision to finance support measures through financial instruments should be determined therefore on the basis of an *ex ante assessment covering as a minimum elements set out in Annex X of this Regulation*.

Amendment 249

Proposal for a regulation Recital 24

Text proposed by the Commission

(24) Financial instruments should be designed and implemented so as to promote substantial participation by private sector investors and financial institutions on an appropriate risk-sharing basis. To be sufficiently attractive to private sector, financial instruments need to be designed and implemented in a flexible manner. Managing authorities should therefore decide on the most appropriate forms to implement financial instruments to address the specific needs of the target regions, in accordance with the objectives of the relevant programme.

Amendment

(24) Financial instruments should be designed and implemented so as to promote substantial participation by private sector investors and financial institutions on an appropriate risk-sharing basis. To be sufficiently attractive to private sector, financial instruments need to be ***simple, catalytic, revolving and*** designed and implemented in a flexible manner. Managing authorities should therefore decide on the most appropriate forms to implement financial instruments to address the specific needs of the target regions, in accordance with the objectives of the relevant programme.

Amendment 250

Proposal for a regulation Recital 28

Text proposed by the Commission

(28) Member States should monitor programmes in order to review implementation and progress towards achieving the programme's objectives. To this end, monitoring committees should be set up and their composition and functions defined for ***CSF*** Funds. Joint Monitoring Committees could be set up to facilitate coordination between the ***CSF*** Funds In

Amendment

(28) Member States should monitor programmes in order to review implementation and progress towards achieving the programme's objectives. To this end, monitoring committees should be set up and their composition and functions defined for Funds ***covered by the CPR***. Joint Monitoring Committees could be set up to facilitate coordination between the

order to ensure effectiveness, monitoring committees should be able to issue recommendations to managing authorities regarding implementation of the programme and should monitor actions taken as a result of its recommendations.

Funds ***covered by the CPR***. In order to ensure effectiveness, monitoring committees should be able to issue recommendations to managing authorities regarding implementation of the programme, ***as well as ways of reducing the administrative burden on beneficiaries*** and should monitor actions taken as a result of its recommendations.

Amendment 251

Proposal for a regulation

Recital 31

Text proposed by the Commission

(31) In order for the Commission to monitor progress towards achieving Union objectives, Member States should submit progress reports on the implementation of their Partnership Contracts. On the basis of such reports, the Commission should prepare a ***strategy*** report on progress in 2017 and 2019.

Amendment

(31) In order for the Commission to monitor progress towards achieving *the* Union objectives ***of smart, sustainable and inclusive growth as well as towards reducing disparities***, Member States should submit progress reports on the implementation of their Partnership Contracts. On the basis of such reports, the Commission should prepare a ***strategic*** report on progress in 2017 and 2019.

Amendment 252

Proposal for a regulation

Recital 32

Text proposed by the Commission

(32) It is necessary to evaluate the effectiveness, efficiency and impact of assistance from the ***CSF*** Funds in order to improve the quality of implementation and design of programmes, and to determine the impact of programmes in relation to the targets for the Union strategy for smart sustainable and inclusive growth and in relation to GDP and unemployment, where relevant. The responsibilities of Member States and the Commission in this regard

Amendment

(32) It is necessary to evaluate the effectiveness, efficiency and impact of assistance from the Funds ***covered by the CPR*** in order to improve the quality of implementation and design of programmes, and to determine the impact of programmes in relation to the targets for the Union strategy for smart sustainable and inclusive growth and in relation to GDP, ***regional and local needs, climate targets*** and unemployment ***and gender***

should be specified.

mainstreaming where relevant. The responsibilities of Member States and the Commission in this regard should be specified.

Amendment 253

Proposal for a regulation Recital 34

Text proposed by the Commission

(34) An evaluation plan should be drawn up by the authority responsible for the preparation of the programme. During the programming period managing authorities should **carry out** evaluations to assess the effectiveness and impact of a programme. The monitoring committee and the Commission should be informed about the results of evaluations to facilitate management decisions.

Amendment

(34) An evaluation plan should be drawn up by the authority responsible for the preparation of the programme. During the programming period managing authorities should **ensure that** evaluations **are carried out** to assess the effectiveness and impact of a programme. The monitoring committee and the Commission should be informed about the results of evaluations to facilitate management decisions.

Amendment 254

Proposal for a regulation Recital 35

Text proposed by the Commission

(35) *Ex post* evaluations should be carried out in order to assess the effectiveness and efficiency of the **CSF** Funds and their impact on the overall goals **of the CSF Funds** and the Union strategy for smart, sustainable and inclusive growth.

Amendment

(35) *Ex post* evaluations should be carried out in order to assess the effectiveness and efficiency of the Funds **covered by the CPR** and their impact on the overall goals and the Union strategy for smart, sustainable and inclusive growth, **in accordance with the relevant flagships targets, the contribution to addressing regional and local needs, as well as specific requirements established in the Fund-specific rules. On the basis of ex post evaluations the Commission should prepare ex post-evaluation synthesis reports for each Fund.**

Amendment 255

Proposal for a regulation Recital 41

Text proposed by the Commission

(41) To ensure the effectiveness, fairness and sustainable impact of the intervention of the **CSF** Funds, there should be provisions guaranteeing that investments in businesses and infrastructures are long-lasting and prevent the **CSF** Funds from being used to undue advantage.

Experience has shown that a period of **five** years is an appropriate minimum period to be applied, except where State aid rules foresee a different period. It is appropriate to exclude actions supported by the ESF and those not entailing productive investment or investment in infrastructure from the general requirement of durability, unless such requirements are derived from applicable State aid rules, and to exclude contributions to or from financial instruments.

Amendment

(41) To ensure the effectiveness, fairness and sustainable impact of the intervention of the Funds **covered by the CPR**, there should be provisions guaranteeing that investments in businesses and infrastructures are long-lasting and prevent the Funds **covered by the CPR** from being used to undue advantage. **It is considered** that a period of **ten** years is an appropriate minimum period to be applied, except where State aid rules foresee a different period. It is appropriate to exclude actions supported by the ESF and those not entailing productive investment or investment in infrastructure from the general requirement of durability, unless such requirements are derived from applicable State aid rules, and to exclude contributions to or from financial instruments.

Amendment 256

Proposal for a regulation Recital 41 a (new)

Text proposed by the Commission

Amendment

(41a) When appraising major productive investment projects, the Commission should have all necessary information to consider whether the financial contribution from the Funds does not result in a substantial loss of jobs in existing locations within the European Union, in order to ensure that Community funding does not support relocation within the European Union.

Amendment 257

Proposal for a regulation Recital 43

Text proposed by the Commission

(43) In accordance with the principles of shared management, Member States should have the primary responsibility, through their management and control systems, for the implementation and control of the operations in programmes. In order to strengthen the effectiveness of the control over the selection and implementation of operations and the functioning of the management and control system, the functions of the managing authority should be specified.

Amendment

(43) In accordance with the principles of shared management, Member States, ***at the appropriate territorial level, in keeping with their institutional, legal and financial framework, and subject to compliance with this Regulation and Fund-specific rules***, should have the primary responsibility, through their management and control systems, for the implementation and control of the operations in programmes. In order to strengthen the effectiveness of the control over the selection and implementation of operations and the functioning of the management and control system, the functions of the managing authority should be specified.

Amendment 258

Proposal for a regulation Recital 44

Text proposed by the Commission

(44) In order to provide assurance ex ante on the set up and design of the main systems of management and control, Member States should designate an accrediting body that is responsible for the accreditation and withdrawal of accreditation of managing and control bodies.

Amendment

deleted

Amendment 259

Proposal for a regulation Recital 47

Text proposed by the Commission

(47) The pre-financing payment at the start of programmes ensures that the Member State has the means to provide support to beneficiaries *in* the implementation of the programme ***from programme adoption***. Therefore, provisions should be made for initial pre-financing amounts from the CSF Funds. Initial pre-financing should be totally cleared at closure of the programme.

Amendment

(47) The pre-financing payment at the start of programmes ensures that the Member State ***also*** has the means to provide ***ex ante*** support to beneficiaries ***from the start of*** the implementation of the programme, ***so as to ensure that the beneficiaries have the financial sustainability to make the allocated investments***. Therefore, provisions should be made for initial pre-financing amounts from the CSF Funds. Initial pre-financing should be totally cleared at closure of the programme.

Amendment 260

Proposal for a regulation
Recital 48

Text proposed by the Commission

(48) In order to safeguard the Union's financial interests, there should be measures limited in time that allow the authorising officer by delegation to interrupt payments where there is evidence to suggest a significant deficiency in the functioning of the management and control system, evidence of irregularities linked to a payment application, or a failure to submit documents for the purpose of ***clearance of*** accounts.

Amendment

(48) In order to safeguard the Union's financial interests, there should be measures limited in time that allow the authorising officer by delegation to interrupt payments where there is evidence to suggest a significant deficiency in the functioning of the management and control system, evidence of irregularities linked to a payment application, or a failure to submit documents for the purpose of ***examination and acceptance*** of accounts.

Amendment 261

Proposal for a regulation
Recital 48 a (new)

Text proposed by the Commission

Amendment

(48a) It is necessary that Commission, Member States and Regional Authorities guarantee fair competition for projects financed by the Funds covered by the

Amendment 262

Proposal for a regulation

Recital 49

Text proposed by the Commission

(49) In order to ensure that expenditure co-financed by the Union budget in any given financial year is used in accordance with the applicable rules, an appropriate framework should be created for the **annual clearance** of accounts. Under this framework, the **accredited** bodies should submit to the Commission, in respect of each programme, a management declaration of assurance accompanied by the certified **annual** accounts, a summary report of controls and an independent audit opinion and control report.

Amendment

(49) In order to ensure that expenditure co-financed by the Union budget in any given financial year is used in accordance with the applicable rules, an appropriate framework should be created for the **examination and acceptance** of accounts. Under this framework, the **designated** bodies should submit to the Commission, in respect of each programme, a management declaration of assurance accompanied by the certified accounts, a summary report of controls and an independent audit opinion and control report.

Amendment 263

Proposal for a regulation

Recital 52

Text proposed by the Commission

(52) Additional general provisions are necessary in relation to the specific functioning of the Funds. In particular, in order to increase their added value, and to enhance their contribution to the priorities of the Union strategy for smart, sustainable and inclusive growth, the functioning of these Funds should be simplified and concentrated on the goals of 'Investment for growth and jobs' and 'European territorial cooperation'.

Amendment

(52) Additional general provisions are necessary in relation to the specific functioning of the Funds. In particular, in order to increase their added value, and to enhance their contribution to the **economic, social and territorial cohesion and to the** priorities of the Union strategy for smart, sustainable and inclusive growth, the functioning of these Funds should be simplified and concentrated on the goals of 'Investment for growth and jobs' and 'European territorial cooperation'.

Amendment 264

Proposal for a regulation Recital 54

Text proposed by the Commission

(54) In order to promote the Treaty objectives of economic, social and territorial cohesion, the 'Investment for growth and jobs' goal should support all regions. To provide balanced and gradual support and reflect the level of economic and social development, resources under that goal should be allocated from the ERDF and the ESF among the less developed regions, the transition regions and the more developed regions according to their gross domestic product (GDP) per capita in relation to the EU average. In order to ensure the long-term sustainability of investment from the Structural Funds, regions whose GDP per capita for the 2007-2013 period was less than 75% of the average of the EU-25 for the reference period but whose GDP per capita has grown to more than 75% of the EU-27 average should receive at least two thirds of their 2007-2013 allocation. Member States whose per capita gross national income (GNI) is less than 90 % of that of the Union average should benefit under the 'Investment for growth and jobs' goal from the CF.

Amendment

(54) In order to promote the Treaty objectives of economic, social and territorial cohesion, the 'Investment for growth and jobs' goal should support all regions. To provide balanced and gradual support and reflect the level of economic and social development, resources under that goal should be allocated from the ERDF and the ESF among the less developed regions, the transition regions and the more developed regions according to their gross domestic product (GDP) per capita in relation to the EU average. In order to ensure the long-term sustainability of investment from the Structural Funds, ***to consolidate the development achieved and to encourage the economic growth and social cohesion of the European regions,*** regions whose GDP per capita for the 2007-2013 period was less than 75% of the average of the EU-25 for the reference period but whose GDP per capita has grown to more than 75% of the EU-27 average ***and regions designated with phasing-out status in the 2007-2013 period*** should receive at least two thirds of their 2007-2013 allocation. Member States whose per capita gross national income (GNI) is less than 90 % of that of the Union average should benefit under the 'Investment for growth and jobs' goal from the CF. ***Single region island states eligible for funding from the Cohesion Fund in 2013 and outermost regions falling into the categories of transition and more developed regions should receive at least four fifths of their 2007-2013 allocations under the Funds as defined in Article 1.***

Amendment 265

Proposal for a regulation Recital 55

Text proposed by the Commission

(55) Objective criteria should be fixed for designating eligible regions and areas for support from the Funds. To this end, the identification of the regions and areas at Union level should be based on the common system of classification of the regions established by Regulation (EC) No 1059/2003 of the European Parliament and the Council of 26 May 2003 on the establishment of a common classification of territorial units for statistics (NUTS) .

Amendment

(55) Objective criteria should be fixed for designating eligible regions and areas for support from the Funds. To this end, the identification of the regions and areas at Union level should be based on the common system of classification of the regions established by Regulation (EC) No 1059/2003 of the European Parliament and the Council of 26 May 2003 on the establishment of a common classification of territorial units for statistics (NUTS)
Special attention should be paid to regions which suffer from serious and permanent natural or demographic handicaps, such as regions with very low population density and island, cross-border and mountain regions, taking into account the fact that these territorial characteristics do not necessarily correspond to the breakdown currently proposed by the NUTS classification.

Amendment 266

Proposal for a regulation Recital 56

Text proposed by the Commission

(56) In order to set out an appropriate financial framework, the Commission should establish, by means of implementing acts, the indicative annual breakdown of available commitment appropriations using an objective and transparent method with a view to targeting the regions whose development is lagging behind, including those receiving transitional support.

Amendment

(56) In order to set out an appropriate financial framework, the Commission should establish, by means of implementing acts, the indicative annual breakdown of available commitment appropriations using an objective and transparent method with a view to targeting the regions whose development is lagging behind, including those receiving transitional support. ***Annual breakdown of resources should also be provided for***

by cooperation programme under the European Territorial Cooperation goal.

Amendment 267

Proposal for a regulation Recital 57

Text proposed by the Commission

(57) It is necessary to fix the limits of those resources for the 'Investment for growth and jobs' goal and to adopt objective criteria for their allocation to regions and Member States. In order to encourage the necessary acceleration of development of infrastructure in transport and energy as well as information and communication technologies across the Union, a Connecting Europe Facility *should be* created. ***The allocation of the annual appropriations from the Funds and the amounts transferred from the Cohesion Fund to the Connecting Europe Facility to a Member State should be limited to a ceiling that would be fixed taking into account the capacity of that particular Member State to absorb these appropriations.*** In addition, in line with the headline target on poverty reduction, it is necessary to reorient the scheme for food support for the most deprived persons to promote social inclusion and the harmonious development of the Union. A mechanism is envisaged which transfers resources to this instrument and ensures that these will be constituted from ESF allocations through an implicit corresponding decrease of the minimum percentage of the Structural Funds to be allocated to the ESF in each country.

Amendment

(57) It is necessary to fix the limits of those resources for the 'Investment for growth and jobs' goal and to adopt objective criteria for their allocation to regions and Member States. In order to encourage the necessary acceleration of development of infrastructure in transport and energy as well as information and communication technologies across the Union, a Connecting Europe Facility (***CEF***) is created. ***Support should be provided from the Cohesion Fund to transport infrastructure projects of European added value among the pre-identified projects listed in Annex 1 of Regulation (EU) [...]/2012 on establishing the Connecting Europe Facility that will be carried out in each Member State in accordance with article 84(4) of this regulation. The national allocations under the Cohesion Fund should be fully respected until 31 December 2016.*** In addition, in line with the headline target on poverty reduction, it is necessary to reorient the scheme for food support for the most deprived persons to promote social inclusion and the harmonious development of the Union. A mechanism is envisaged which transfers resources to this instrument and ensures that these will be constituted from ESF allocations through an implicit corresponding decrease of the minimum percentage of the Structural Funds to be allocated to the ESF in each country.

Amendment 268

Proposal for a regulation Recital 58

Text proposed by the Commission

(58) In order to strengthen the focus on results and achievement of the Europe 2020 objectives and targets, five per cent of the resources for the 'Investment for growth and jobs' goal should be set aside as a performance reserve for each Fund, and category of region in each Member State.

Amendment

deleted

Amendment 269

Proposal for a regulation Recital 59

Text proposed by the Commission

(59) As regards the Funds and with a view to ensuring an appropriate allocation to each category of regions, resources should not be transferred between less developed, transition and more developed regions except in duly justified circumstances linked to the delivery of one or more thematic objectives and for no more than **2** % of the total appropriation for that category of region.

Amendment

(59) As regards the Funds and with a view to ensuring an appropriate allocation to each category of regions, resources should not be transferred between less developed, transition and more developed regions except in duly justified circumstances linked to the delivery of one or more thematic objectives and for no more than **4** % of the total appropriation for that category of region.

Amendment 270

Proposal for a regulation Recital 63

Text proposed by the Commission

(63) Major projects represent a substantial share of Union spending and are frequently of strategic importance with respect to the achievement of the Union strategy for smart, sustainable and inclusive growth.

Amendment

(63) Major projects represent a substantial share of Union spending and are frequently of strategic importance with respect to the achievement of the Union strategy for smart, sustainable and inclusive growth.

Therefore it is justified that operations of substantial size continue to be subject to approval by the Commission under this regulation. To ensure clarity, it is appropriate to define the content of a major project for this purpose. The Commission should also have the possibility to refuse support for a major project where the granting of such support is not justified.

Therefore it is justified that operations of substantial size continue to be subject to approval by the Commission under this regulation. To ensure clarity, it is appropriate to define the content of a major project for this purpose. The Commission should also have the possibility to refuse support for a major project where the granting of such support is not justified.
Specific conditions should be also defined for operations implemented under PPP structures.

Amendment 271

Proposal for a regulation Recital 64

Text proposed by the Commission

(64) In order to give Member States the option of implementing part of an operational programme using a result-based approach, it is useful to provide for a joint action plan comprising a set of actions to be carried out by a beneficiary to contribute to the objectives of the operational programme. In order to simplify and reinforce the result orientation of the Funds the management of the joint action plan should be exclusively based on jointly agreed milestones, outputs and results as defined in the Commission decision adopting the joint action plan. Control and audit of a joint action plan should also be limited to the achievement of these milestones, outputs and results. Consequently, it is necessary to lay down rules on its preparation, content, adoption, financial management and control of joint action plans.

Amendment

(64) In order to give Member States the option of implementing part of an operational programme using a result-based approach, it is useful to provide for a joint action plan comprising a set of actions to be carried out by a beneficiary ***or beneficiaries, such as local and regional authorities***, to contribute to the objectives of the operational programme. In order to simplify and reinforce the result orientation of the Funds the management of the joint action plan should be exclusively based on jointly agreed milestones, outputs and results as defined in the Commission decision adopting the joint action plan. Control and audit of a joint action plan should also be limited to the achievement of these milestones, outputs and results. Consequently, it is necessary to lay down rules on its preparation, content, adoption, financial management and control of joint action plans.

Amendment 272

Proposal for a regulation Recital 65

Text proposed by the Commission

(65) Where **an** urban or territorial development strategy requires an integrated approach because it involves investments under more than one priority axis of one or several operational programmes, action supported by the Funds should be carried out as an integrated territorial investment ***within an operational programme***.

Amendment

(65) Where ***a sustainable*** urban or territorial development strategy requires an integrated approach because it involves investments under more than one priority axis of one or several operational programmes, action supported by the Funds should be carried out as an integrated territorial investment.

Amendment 273

Proposal for a regulation Recital 67

Text proposed by the Commission

(67) To ensure the availability of essential and up to date information on programme implementation, it is necessary that Member States provide the Commission with the key data on a regular basis. In order to avoid an additional burden on Member States, this should be limited to data collected continuously, and the transmission should be performed by way of electronic data exchange.

Amendment

(67) To ensure the availability of essential and up to date information on programme implementation, it is necessary that Member States provide the Commission with the key data on a regular basis. In order to avoid an additional burden on Member States, this should be limited to data collected continuously, and the transmission should be performed by way of electronic data exchange. ***Insofar as these transfers include personal data, the provisions of Directive 95/46/EC and of Regulation (EC) 45/2001 should apply.***

Amendment 274

Proposal for a regulation Recital 70

Text proposed by the Commission

(70) It is important to bring the

Amendment

(70) It is important to bring the

achievements of the Union's Funds to the attention of the general public. Citizens have the right to know how the Union's financial resources are invested. The responsibility to ensure that the appropriate information is communicated to the public should lie with both the managing authorities and the beneficiaries. To ensure more efficiency in communication to the public at large and stronger synergies between the communication activities undertaken at the initiative of the Commission, the resources allocated to communication actions under this Regulation shall also contribute to ***cover the corporate communication of the political priorities of the European Union as far as they are related to the general objectives of this Regulation.***

achievements of the Union's Funds to the attention of the general public. Citizens have the right to know how the Union's financial resources are invested. The responsibility to ensure that the appropriate information is communicated to the public should lie with both the managing authorities and the beneficiaries ***as well as with Union institutions and advisory bodies.*** To ensure more efficiency in communication to the public at large and stronger synergies between the communication activities undertaken at the initiative of the Commission, the resources allocated to communication actions under this Regulation shall also contribute to ***raise awareness about the objectives of cohesion policy and its role as an issue of genuine relevance to EU citizens.***

Amendment 275

Proposal for a regulation Recital 72

Text proposed by the Commission

(72) With a view to strengthening accessibility and transparency of information about funding opportunities and project beneficiaries, in each Member State a single website or website portal providing information on all the operational programmes, including the lists of operations supported under each operational programme, should be made available.

Amendment

(72) With a view to strengthening accessibility and transparency of information about funding opportunities and project beneficiaries, in each Member State a single website or website portal providing ***comprehensible and easily accessible*** information on all the operational programmes, including the lists of operations supported under each operational programme, should be made available.

Amendment 276

Proposal for a regulation Recital 73

Text proposed by the Commission

(73) It is necessary to determine the elements for modulating the co-financing rate from the Funds to operational programmes, in particular, to increase the multiplier effect of Union resources. It is also necessary to establish the maximum rates of co-financing by category of region in order to ensure respect of the principle of co-financing through an appropriate level of national support.

Amendment

(73) It is necessary to determine the elements for modulating the co-financing rate from the Funds to operational programmes, in particular, to increase the multiplier effect of Union resources. It is also necessary to establish the maximum rates of co-financing by category of region in order to ensure respect of the principle of co-financing through an appropriate level of ***both public and private*** national support.

Amendment 277

Proposal for a regulation
Recital 76

Text proposed by the Commission

(76) The certifying authority should draw up and submit to the Commission payment applications. It should draw up the ***annual*** accounts, certifying the completeness, accuracy and veracity of the ***annual*** accounts and that the expenditure entered in the accounts complies with applicable Union and national rules. Its responsibilities and functions should be set out.

Amendment

(76) The certifying authority should draw up and submit to the Commission payment applications. It should draw up the accounts, certifying the completeness, accuracy and veracity of the accounts and that the expenditure entered in the accounts complies with applicable Union and national rules. Its responsibilities and functions should be set out.

Amendment 278

Proposal for a regulation
Recital 77

Text proposed by the Commission

(77) The audit authority should ensure that audits are carried out on the management and control systems, on an appropriate sample of operations and on the ***annual*** accounts. Its responsibilities and functions

Amendment

(77) The audit authority should ensure that audits are carried out on the management and control systems, on an appropriate sample of operations and on the accounts. Its responsibilities and functions should be

should be set out.

set out.

Amendment 279

Proposal for a regulation

Recital 78

Text proposed by the Commission

(78) ***In*** order to take account of the specific organisation of the management and control systems for the ERDF, ESF and CF ***and the need to ensure a proportionate approach***, specific provisions are required for the ***accreditation*** and ***withdrawal of accreditation*** of the managing authority and the certifying authority.

Amendment

(78) ***In accordance with Article 59(3) of the Financial Regulation and in*** order to take account of the specific organisation of the management and control systems for the ERDF, ESF and CF, specific provisions are required for the ***designation*** and ***ending of designation*** of the managing authority and the certifying authority.

Amendment 280

Proposal for a regulation

Recital 80

Text proposed by the Commission

(80) In addition to common rules on financial management, additional provisions are necessary for the ERDF, ESF and CF. In particular, with a view to ensuring reasonable assurance for the Commission ***prior to the annual clearance of accounts***, applications for interim payments should be reimbursed at a rate of ***90 %*** of the amount resulting from applying the co-financing rate for each priority axis as laid down in the decision adopting the operational programme to the eligible expenditure for the priority axis. The outstanding amounts due should be paid to the Member States ***upon annual clearance of accounts***, provided that reasonable assurance has been attained in regard to the eligibility of expenditure ***for the year covered by the clearance procedure***.

Amendment

(80) In addition to common rules on financial management, additional provisions are necessary for the ERDF, ESF and CF. In particular, with a view to ensuring reasonable assurance for the Commission, applications for interim payments should be reimbursed at a rate of ***95%*** of the amount resulting from applying the co-financing rate for each priority axis as laid down in the decision adopting the operational programme to the eligible expenditure for the priority axis. The outstanding amounts due should be paid to the Member States provided that reasonable assurance has been attained in regard to the eligibility of expenditure. Investment Bank and other instruments.

Amendment 281

Proposal for a regulation Recital 81

Text proposed by the Commission

(81) To ensure that beneficiaries receive the support as soon as possible and to reinforce the assurance for the Commission it is appropriate to require that payment applications include only expenditure for which the support has been paid to beneficiaries. Pre-financing each year should be foreseen to ensure that Member State have sufficient means to operate under such arrangements. Such pre-financing should be *cleared each year* with the *clearance of accounts*.

Amendment

(81) To ensure that beneficiaries receive the support as soon as possible and to reinforce the assurance for the Commission it is appropriate to require that payment applications include only expenditure for which the support has been paid to beneficiaries. Pre-financing each year should be foreseen to ensure that Member State have sufficient means to operate under such arrangements. Such pre-financing should be *in accordance* with the *procedures established in this regulation*.

Amendment 282

Proposal for a regulation Recital 83

Text proposed by the Commission

(83) It is necessary to specify the detailed procedure for the *annual clearance* of accounts applicable to the Funds to ensure a clear basis and legal certainty for these arrangements. It is important to envisage a limited possibility for the Member State to define a provision in its *annual* accounts for an amount, which is subject to an ongoing procedure with the audit authority.

Amendment

(83) It is necessary to specify the detailed procedure for the *examination and acceptance* of accounts *by the Commission* applicable to the Funds to ensure a clear basis and legal certainty for these arrangements. It is important to envisage a limited possibility for the Member State to define a provision in its accounts for an amount, which is subject to an ongoing procedure with the audit authority.

Amendment 283

Proposal for a regulation Recital 84

Text proposed by the Commission

Amendment

(84) The process of annual clearance of accounts should be accompanied by an annual closure of completed operations (for the ERDF and the CF) or expenditure (for the ESF). In order to reduce the costs associated with the final closure of operational programmes, to reduce the administrative burden for beneficiaries and to provide legal certainty, annual closure should be obligatory thereby limiting the period during which the supporting documents need to be maintained and during which operations can be audited and financial corrections imposed.

deleted

Amendment 284

Proposal for a regulation Recital 88

Text proposed by the Commission

Amendment

(88) In order to supplement and amend certain non-essential elements of this Regulation, the power to adopt acts in accordance with Article 290 of the Treaty should be delegated to the Commission in respect of a code of conduct on the objectives and criteria to support the implementation of partnership, ***the adoption of a Common Strategic Framework, additional rules on the allocation of the performance reserve,*** the definition of the area and population covered by the local development strategies, detailed rules on financial instruments (***ex ante assessment,*** combination of support, eligibility, types of activities not supported), the rules on certain types of financial instruments set up at national, regional, transnational or cross-border level, rules concerning funding agreements, transfer and management of

(88) In order to supplement and amend certain non-essential elements of this Regulation, the power to adopt acts in accordance with Article 290 of the Treaty should be delegated to the Commission in respect of a code of conduct on the objectives and criteria to support the implementation of partnership, ***the methodology used to provide information on the support for climate change objectives,*** the ***criteria for the*** definition of the area and population covered by the local development strategies, detailed rules on financial instruments (combination of support, eligibility, types of activities not supported), the rules on certain types of financial instruments set up at national, regional, transnational or cross-border level, rules concerning ***the minimum provisions to be included in*** funding agreements ***and strategy documents,***

assets, the **arrangements** for management and control, the rules on payment requests, and establishment of a system of capitalisation of annual instalments, the definition of the flat rate for revenue generating operations, the definition of the flat rate applied to indirect costs for grants based on existing methods and corresponding rates applicable in Union policies, the responsibilities of Member States concerning the procedure for reporting irregularities and recovery of sums unduly paid, the modalities of exchange of information of operations, the arrangements for the adequate audit trail, the conditions of national audits, **the accreditation criteria for managing authorities and certifying authorities**, the identification of **commonly** accepted data carriers, and the criteria for establishing the level of financial correction to be applied. The Commission should also be empowered to amend Annex V in order to address future adaptation needs. It is of particular importance that the Commission carry out appropriate consultations during its preparatory work, including at expert level.

transfer and management of assets, management and control, the rules on payment requests, and establishment of a system of capitalisation of annual instalments, the definition of the flat rate **and the method of calculation of current value of the net revenue** for revenue generating operations, the definition of the flat rate applied to indirect costs for grants based on existing methods and corresponding rates applicable in Union policies, **methodology to be used in carrying out the cost-benefit analysis on major projects, decision on the extension of period applied in the case of operations implemented under PPP structures**, the responsibilities of Member States concerning the procedure for reporting irregularities and recovery of sums unduly paid, **detailed rules for establishing a system to record and store data in computerised form on each operation and the modalities of exchange of information of operations, the criteria to assess compliance of authorities relating to the internal control environment, risk management, control activities, information and communication and monitoring systems**, the adequate audit trail, the conditions of national audits, the identification of accepted data carriers, **the rules concerning the use of data collected during audits, detailed rules concerning the cases that are to be regarded as serious deficiencies within the meaning of Article 136** and the criteria for establishing the level of financial correction to be applied. The Commission should also be empowered to amend Annex V in order to address future adaptation needs. It is of particular importance that the Commission carry out appropriate consultations during its preparatory work, including at expert level.

Amendment 285

Proposal for a regulation Recital 90

Text proposed by the Commission

(90) The Commission should be empowered to adopt, by means of implementing acts, ***as regards all CSF Funds***, decisions approving the Partnership Contracts, ***decisions on the allocation of the performance reserve, decisions suspending payments linked to Member States' economic policies***, and, in the case of decommitment, decisions to amend decisions adopting programmes; and as regards the Funds, decisions identifying the regions and Member States fulfilling the Investment for growth and jobs criteria, decisions setting ***out the annual breakdown of commitment appropriations to the Member States, decisions setting out the amount to be transferred from each Member State's CF allocation to the Connecting Europe Facility***, decisions setting out the amount to be transferred from each Member State's Structural Funds allocation for food for deprived people, decisions adopting and amending operational programmes, decisions on major projects, decisions on joint action plans, decisions suspending payments and decisions on financial corrections.

Amendment

(90) ***With regard to all of the Funds covered by the CPR***, the Commission should be empowered to adopt, by means of implementing acts, , decisions approving the Partnership Contracts, and, in the case of decommitment, decisions to amend decisions adopting programmes; and as regards the Funds, decisions identifying the regions and Member States fulfilling the Investment for growth and jobs criteria, decisions setting out the annual breakdown of commitment appropriations to the Member States, decisions setting out the ***support to be provided from the Cohesion Fund to transport infrastructure projects of European added value and the pre-identified projects listed in Annex 1 of Regulation (EU) [...] /2012 on establishing the Connecting Europe Facility that will be carried out in each Member State***, decisions setting out the amount to be transferred from each Member State's Structural Funds allocation for food for deprived people, decisions adopting and amending operational programmes, decisions on major projects, decisions on joint action plans, decisions suspending payments and decisions on financial corrections, ***decisions on the amount chargeable to the Funds for the accounting year and the annual balance due to the Member State or to be recovered.***

Amendment 286

Proposal for a regulation Recital 91

(91) In order to ensure uniform conditions for the implementation of this Regulation, the implementing powers relating to ***the methodology concerning climate change objectives***, standard terms and conditions for monitoring of financial instruments, the ***uniform conditions concerning the monitoring and provision of monitoring information for financial instruments, the methodology for the calculation of net revenue for revenue-generating projects***, the electronic data exchange system between the Member State and the Commission, the model of operational programme for the Funds, the nomenclature for the categories of intervention, the format for information on major projects ***and methodology to be used in carrying out the cost-benefit analysis on major projects***, the model for the joint action plan, the model of the annual and final implementation reports, certain technical characteristics of information and publicity measures and related instructions, rules on the exchange of information between beneficiaries and managing authorities, certifying authorities, audit authorities and intermediate bodies, the model of the management declaration, the models for the audit strategy, opinion and annual control report and methodology for the sampling method, ***the rules concerning use of data collected during audits***, and the model for payment applications should be exercised in accordance with Regulation (EU) No 182/2011 of the European Parliament and of the Council of 16 February 2011 laying down the rules and general principles concerning mechanisms for control by Member States of the Commission's exercise of implementing powers.

(91) In order to ensure uniform conditions for the implementation of this Regulation, the implementing powers relating to standard terms and conditions for monitoring of financial instruments, the ***models for reporting on*** financial instruments, the electronic data exchange system between the Member State and the Commission, the model of operational programme for the Funds, the nomenclature for the categories of intervention, the format for information on major projects, the model for the joint action plan, the model of the annual and final implementation reports, certain technical characteristics of information and publicity measures and related instructions, rules on the exchange of information between beneficiaries and managing authorities, certifying authorities, audit authorities and intermediate bodies, ***the model for the report and opinion of the independent audit body and the model for the description of the management and control system, the model for the accounts***, the model of the management declaration, the models for the audit strategy, opinion and annual control report and methodology for the sampling method, and the model for payment applications should be exercised in accordance with Regulation (EU) No 182/2011 of the European Parliament and of the Council of 16 February 2011 laying down the rules and general principles concerning mechanisms for control by Member States of the Commission's exercise of implementing powers.

Amendment 287

Proposal for a regulation Recital 93

Text proposed by the Commission

(93) Since the objective of this Regulation, namely to reduce disparities between levels of development of the various regions and the backwardness of the least favoured regions or islands, particular rural areas, areas affected by industrial transition, and regions which suffer from severe and permanent natural or demographic handicaps, cannot be sufficiently achieved by Member States but can be better achieved at Union level, the Union may adopt measures, in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty on European Union. In accordance with the principle of proportionality, as set out in that Article, this Regulation does not go beyond what is necessary in order to achieve that objective.

Amendment

(93) Since the objective of this Regulation, namely to reduce disparities between levels of development of the various regions and the backwardness of the least favoured regions or islands, particular rural areas, areas affected by industrial transition, and regions which suffer from severe and permanent natural or demographic handicaps, ***inter alia the northernmost regions with low population density as well as island, border and mountain regions, and the outermost regions, disadvantaged urban areas and remote border cities***, cannot be sufficiently achieved by Member States but can be better achieved at Union level, the Union may adopt measures, in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty on European Union. In accordance with the principle of proportionality, as set out in that Article, this Regulation does not go beyond what is necessary in order to achieve that objective.

