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**NOTE**

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From:	General Secretariat of the Council
To:	Permanent Representatives Committee
No. Cion doc.:	COM(2018) 375
Subject:	Cohesion policy legislative package 2021-2027 - Common Provisions Regulation = Progress Report

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**I. INTRODUCTION**

1. On 29 May 2018, the Commission adopted the proposal for the Common Provisions Regulation (CPR)<sup>1</sup>. The proposal was presented to the Structural Measures Working Party (SMWP) in June 2018 during the Bulgarian Presidency.

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<sup>1</sup> Doc. 9511/18 + ADD 1. The Common Provisions Regulation sets out common provisions for seven shared management funds: the Cohesion Fund, the European Maritime and Fisheries Funds, the European Regional Development Fund, the European Social Fund Plus, the Asylum and Migration Fund, the Border Management and Visa Instrument and the Internal Security Fund.

2. On 19 December, under the Austrian Presidency, the Permanent Representatives Committee agreed on a partial mandate for negotiations on the CPR covering provisions on programming and strategic planning (Block 1) and management and control (Block 5).
3. Between February and June 2019, under the Romanian Presidency, the Permanent Representatives Committee agreed on the remaining partial mandates for negotiations on the CPR, excluding MFF-related provisions. These covered the conditions for eligibility and performance framework (Block 2); the provisions on monitoring, evaluation, communication and visibility (Block 3) and on financial support from the Funds (Block 4); the provisions on financial management (Block 6) and the provisions on definitions and other provisions such as delegation of power, implementing, transitional and final provisions (Block 7). The related Annexes were also examined and endorsed by Coreper.
4. Beyond work within the Council preparatory bodies, the Romanian Presidency also conducted three political trilogues with the European Parliament on 19 and 26 February and 6 March 2019 on CPR Block 1 provisions, which were accompanied by several technical meetings.
5. The Economic and Social Committee and the Committee of the Regions have been consulted on the CPR and have adopted their opinions on 17 October and 5 December 2018, respectively.
6. The European Parliament voted its first reading position on the CPR on 27 March 2019.

## **II. STATE OF PLAY**

7. Since the Common Provisions Regulation is a proposal linked to the Multiannual Financial Framework (MFF), all provisions with budgetary implications or of a horizontal nature have been set aside (in square brackets) for the time being - and thus excluded from the negotiations - pending further progress on the MFF.

8. The inter-institutional negotiations with the European Parliament re-started in September 2019 and took place until December 2019, focusing on those provisions (Blocks) that are crucial for the programming and for the quick and effective implementation of the Funds, namely Block 1 (Programming and strategic planning), Block 2 (Conditions for eligibility and performance framework) and Block 5 (Management and control). The intense work of Finland's Presidency on the CPR comprised 13 technical meetings and 4 political trilogues with the European Parliament.
9. Substantial progress has been made during the inter-institutional negotiations on the CPR Blocks 1, 2 and 5, both on the Articles (as shown in the four-column tables annexed to this note, covering Articles under Blocks 1, 2 and 5), and the Annexes (Block 1 Annexes -included under ADD1- and Block 2 Annexes -included under ADD2-).
10. Following the last trilogue on 10 December and the achievement of a "package deal" with a provisional common understanding between the European Parliament and the Presidency being reached on CPR Blocks 1, 2 and 5, **the Presidency is of the view that, based on the principle that "nothing is agreed until everything is agreed", a balanced compromise text on a very substantial part of the Common Provisions Regulation has emerged from the inter-institutional negotiations, including both Articles and Annexes. The Presidency regards the package as the best possible compromise, taking into account the European Parliament's ambitions for these blocks.**

### **III. WAY FORWARD**

11. The Permanent Representatives Committee is, therefore, invited to:
  - take note of the progress made on the inter-institutional negotiations on the Common Provisions Regulation;

- endorse the progress made on the negotiations with the European Parliament on CPR Blocks 1, 2 and 5 as set out in documents 14962/19 + ADD 1-2, for both the CPR Articles and Annexes.
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**COMMON PROVISIONS REGULATION - BLOCK 1: Strategic approach and programming (Articles 4-10 and 16-32)**

<b>Commission proposal COM(2018)375</b>	<b>European Parliament position (EP amendments) (Plenary mandate 13/2/19)</b>	<b>Council position (Coreper mandate 19/12/18)</b>	<b>Compromise proposal, comments</b>	<b>Row</b>
		<b>TABLE OF CONTENTS</b>  [... TO BE INSERTED]	<i>Provisional common understanding</i>	I - 1
TITLE I  OBJECTIVES AND GENERAL RULES	<i>[no change]</i>	TITLE I  OBJECTIVES AND GENERAL RULES <b>ON SUPPORT</b>	<i>Comment: For block 7</i>	I - 2
CHAPTER II Policy objectives and principles for the support of the Funds	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding</i>  <i>[no change]</i>	I - 3
<i>Article 4</i> <i>Policy objectives</i>	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding</i>  <i>[no change]</i>	I - 4
1. The ERDF, the ESF+, the Cohesion Fund and the EMFF shall support the following policy objectives:	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding</i>  <i>[no change]</i>	I - 5
(a) a smarter Europe by promoting innovative and smart economic transformation;	<u>Amendment 63</u>  (a) a <b>more competitive and</b> smarter Europe by promoting innovative and smart economic transformation <b>and</b>	<i>[no change]</i>	<i>Provisional common understanding</i>  (a) a <b>more competitive and</b> smarter Europe by promoting innovative and	I - 6

Commission proposal COM(2018)375	European Parliament position (EP amendments) (Plenary mandate 13/2/19)	Council position (Coreper mandate 19/12/18)	Compromise proposal, comments	Row
	<i>strengthening small and medium-sized enterprises;</i>		smart economic transformation;	
(b) a greener, low-carbon Europe by promoting clean and fair energy transition, green and blue investment, the circular economy, climate adaptation and risk prevention and management;	<u>Amendment 64</u>  (b) a greener, low-carbon <b>transitioning towards a net zero carbon economy and resilient</b> Europe by promoting clean and fair energy transition, green and blue investment, the circular economy, climate <b>change mitigation and</b> adaptation and risk prevention and management;	(b) a greener, low-carbon <b>and resilient</b> Europe by promoting clean and fair energy transition, green and blue investment, the circular economy, climate adaptation and risk prevention and management;	<i>Provisional common understanding</i>  (b) a greener, low-carbon <b>transitioning towards a net zero carbon economy and resilient</b> Europe by promoting clean and fair energy transition, green and blue investment, the circular economy, climate <b>change mitigation and</b> adaptation and risk prevention and management;	I - 7
(c) a more connected Europe by enhancing mobility and regional ICT connectivity;	<u>Amendment 65</u>  (c) a more connected Europe by enhancing mobility, <b>including smart and sustainable mobility</b> , and regional ICT connectivity;	[no change]	<i>Provisional common understanding</i>  [no change]	I - 8
(d) a more social Europe implementing the European Pillar of Social Rights;	<u>Amendment 66</u> <sup>2</sup>  (d) a more social <b>and inclusive</b> Europe implementing the European Pillar of Social Rights;	[no change]	<i>Provisional common understanding</i>  (d) a more social <b>and inclusive</b> Europe implementing the European Pillar of Social Rights;	I - 9

<sup>2</sup> EP position: a new recital is added, as follows: **(9a) Given the impact of migration flows from third countries, cohesion policy should contribute to integration processes, in particular by providing infrastructure support to towns and cities and local and regional authorities on the front line, which are more involved in implementing integration policies.**

Commission proposal COM(2018)375	European Parliament position (EP amendments) (Plenary mandate 13/2/19)	Council position (Coreper mandate 19/12/18)	Compromise proposal, comments	Row
(e) a Europe closer to citizens by fostering the sustainable and integrated development of urban, rural and coastal areas and local initiatives.	<u>Amendment 67</u>  (e) a Europe closer to citizens by fostering the sustainable and integrated development of <b>all regions</b> , <del>urban, rural and coastal</del> areas and local initiatives.	(e) a Europe closer to citizens by fostering the sustainable and integrated development of <del>urban, rural and coastal areas and local initiatives</del> <b>all types of territories</b> .	<i>Provisional common understanding</i>  (e) a Europe closer to citizens by fostering the sustainable and integrated development of <b>all types of territories</b> <del>urban, rural and coastal areas and local</del> initiatives.	I - 10
2. The ERDF, the ESF+ and the Cohesion Fund shall contribute to the actions of the Union leading to strengthening of its economic, social and territorial cohesion in accordance with Article 174 of the TFEU by pursuing the following goals:	[no change]	[no change]	<i>Provisional common understanding</i>  [no change]	I - 11
(a) Investment for jobs and growth in Member States and regions, to be supported by the ERDF, the ESF+ and the Cohesion Fund; and	[no change]	[no change]	<i>Provisional common understanding</i>  [no change]	I - 12
(b) European territorial cooperation (Interreg), to be supported by the ERDF.	[no change]	[no change]	<i>Provisional common understanding</i>  [no change]	I - 13
3. Member States shall provide information on the support for	<u>Amendment 68</u> <sup>3</sup>	[no change]	<i>Provisional common understanding</i>	I - 14

<sup>3</sup> EP position: Consequential amendment to the corresponding Recital: (9) Reflecting the importance of tackling climate change in line with the Union's commitments to implement the Paris Agreement and the United Nations Sustainable Development Goals, the Funds will contribute to ~~mainstream~~ **mainstreaming** climate actions and to the achievement of an overall target of **25-30** % of the EU budget expenditure supporting climate objectives. **Climate proofing mechanisms should be an integral part of programming and implementation.**

Commission proposal COM(2018)375	European Parliament position (EP amendments) (Plenary mandate 13/2/19)	Council position (Coreper mandate 19/12/18)	Compromise proposal, comments	Row
environment and climate objectives using a methodology based on types of intervention for each of the Funds. That methodology shall consist of assigning a specific weighting to the support provided at a level which reflects the extent to which such support makes a contribution to environmental objectives and to climate objectives. In the case of the ERDF, the ESF+ and the Cohesion Fund weightings shall be attached to dimensions and codes for the types of intervention established in Annex I.	3. Member States <b><i>shall ensure climate proofing for relevant operations through the entire planning and implementation process and</i></b> shall provide information on the support for environment and climate objectives using a methodology based on types of intervention for each of the Funds. That methodology shall consist of assigning a specific weighting to the support provided at a level which reflects the extent to which such support makes a contribution to environmental objectives and to climate objectives. In the case of the ERDF, the ESF+ and the Cohesion Fund weightings shall be attached to dimensions and codes for the types of intervention established in Annex I.		[no change]	
4 Member States and the Commission shall ensure the coordination, complementarity and coherence between the Funds and other Union instruments such as the	<u>Amendment 69</u> <sup>4</sup>  4. <b><i>In accordance with their respective responsibilities and in line with the principles of subsidiarity</i></b>	4. Member States and the Commission shall <del>ensure</del> <b>promote</b> the coordination, complementarity and coherence between the Funds and other Union instruments <del>such as the</del>	<i>Provisional common understanding</i>  4. Member States and the Commission shall <del>ensure</del> <b>promote</b> the coordination, complementarity and coherence	I - 15

<sup>4</sup> EP position: Recital (40) is amended as follows: (40) In order to optimise the added value from investments funded wholly or in part through the budget of the Union, synergies should be sought in particular between the Funds and directly managed instruments, including the Reform Delivery Tool. ***This policy coordination should promote easy-to-use mechanisms and multi-level governance.*** Those synergies should be achieved through key mechanisms, namely the recognition of flat rates for eligible costs from Horizon Europe for a similar operation and the possibility of combining funding from different Union instruments in the same operation as long as double financing is avoided. This Regulation should therefore set out rules for complementary financing from the Funds.



Commission proposal COM(2018)375	European Parliament position (EP amendments) (Plenary mandate 13/2/19)	Council position (Coreper mandate 19/12/18)	Compromise proposal, comments	Row
Reform Support Programme, including the Reform Delivery Tool and the Technical Support Instrument. They shall optimise mechanisms for coordination between those responsible to avoid duplication during planning and implementation.	<b>and multilevel governance</b> , Member States and the Commission shall ensure the coordination, complementarity and coherence between the Funds and other Union instruments such as the Reform Support Programme, including the Reform Delivery Tool and the Technical Support Instrument. They shall optimise mechanisms for coordination between those responsible <i>in order</i> to avoid duplication during planning and implementation.	<del>Reform Support Programme, including the Reform Delivery Tool and the Technical Support Instrument</del> and funds. They shall optimise mechanisms for coordination between those responsible to avoid duplication during planning and implementation. <b>Accordingly, Member States and the Commission shall also take into account the relevant country-specific recommendations in the programming and implementation of the Funds.</b>	between the Funds and other Union instruments <del>such as the Reform Support Programme, including the Reform Delivery Tool and the Technical Support Instrument</del> and funds. They shall optimise mechanisms for coordination between those responsible to avoid duplication during planning and implementation. <b>Accordingly, Member States and the Commission shall also take into account the relevant country-specific recommendations in the programming and implementation of the Funds.</b>	
	<u>Amendment 70</u>  <b>4a. Member States and the Commission shall ensure compliance with relevant State aid rules.</b>		<i>Provisional common understanding</i>  [no change]	I - 16
<i>Article 5</i> <i>Shared management</i>	[no change]	[no change]	<i>Provisional common understanding</i>  [no change]	I - 17
1. The Member States and the	<u>Amendment 71</u> <sup>5</sup>	[no change]	<i>Provisional common understanding</i>	I - 18

<sup>5</sup> EP position: The corresponding recital is amended as follows: (10) Part of the budget of the Union allocated to the Funds should be implemented by the Commission under shared management with Member States within the meaning of Regulation (EU, Euratom) [number of the new Financial Regulation] of the European Parliament and of the Council<sup>12</sup> (the 'Financial Regulation'). Therefore, when implementing the Funds under shared management, the Commission and

Commission proposal COM(2018)375	European Parliament position (EP amendments) (Plenary mandate 13/2/19)	Council position (Coreper mandate 19/12/18)	Compromise proposal, comments	Row
Commission shall implement the budget of the Union allocated to the Funds under shared management in accordance with Article [63] of Regulation (EU, Euratom) [number of the new financial regulation] (the 'Financial Regulation').	1. The Member States, <b><i>in accordance with their institutional and legal framework</i></b> , and the Commission shall implement the budget of the Union allocated to the Funds under shared management in accordance with Article [63] of Regulation (EU, Euratom) [number of the new financial regulation] (the 'Financial Regulation').		1. The Member States and the Commission shall implement the budget of the Union allocated to the Funds under shared management in accordance with Article [63] of Regulation (EU, Euratom) [number of the new financial regulation] (the 'Financial Regulation'). <b>Member States shall prepare and implement programmes at the appropriate territorial level in accordance with their institutional, legal and financial framework.</b>	
		<b>Member States shall prepare and implement the support from the Funds at the appropriate territorial level, in accordance with their institutional, legal and financial framework.</b>	<i>Provisional common understanding</i>  <i>Comment: Council amendment withdrawn as it is covered in row 18</i>	I - 19
2. However, the Commission shall implement the amount of support from the Cohesion Fund transferred to the Connecting Europe Facility ('CEF'), the European Urban Initiative, Interregional Innovative	<u>Amendment 72</u>  2. <del>However</del> , <b><i>Without prejudice to Article 1(2)</i></b> , the Commission shall implement the amount of support from the Cohesion Fund transferred	[no change]	<i>Provisional common understanding</i>  <i>[no change]</i>	I - 20

the Member States should respect the principles referred to in the Financial Regulation, such as sound financial management, transparency and non-discrimination. ***Member States should be responsible for preparing and implementing programmes. This should take place at the appropriate territorial level, in accordance with their institutional, legal and financial framework, and by the bodies designated by them for that purpose. Member States should refrain from adding rules that complicate the use of the funds for beneficiaries.***

Commission proposal COM(2018)375	European Parliament position (EP amendments) (Plenary mandate 13/2/19)	Council position (Coreper mandate 19/12/18)	Compromise proposal, comments	Row
Investments, the amount of support transferred from the ESF+ to transnational cooperation, the amounts contributed to InvestEU <sup>6</sup> and technical assistance at the initiative of the Commission under direct or indirect management in accordance with [points (a) and (c) of Article 62(1)] of the Financial Regulation.	to the Connecting Europe Facility ('CEF'), the European Urban Initiative, Interregional Innovative Investments, the amount of support transferred from the ESF+ to transnational cooperation, the amounts contributed to InvestEU <sup>37</sup> and technical assistance at the initiative of the Commission under direct or indirect management in accordance with [points (a) and (c) of Article 62(1)] of the Financial Regulation.			
3. The Commission may implement outermost regions' cooperation under the European territorial cooperation goal (Interreg) under indirect management.	<u>Amendment 73</u>  3. The Commission may, <b>with the agreement of the Member State and the region concerned</b> , implement outermost regions' cooperation under the European territorial cooperation goal (Interreg) under indirect management.	<b>3. In agreement with the Member State concerned</b> , the Commission may implement outermost regions' cooperation under the European territorial cooperation goal (Interreg) under indirect management.	<i>Provisional common understanding</i>  3. The Commission may, <b>with the agreement of the Member State and the regions concerned</b> , implement outermost regions' cooperation under the European territorial cooperation goal (Interreg) under indirect management.	I - 21

<sup>6</sup> [Regulation (EU) No [...] on [...] (OJ L [...], [...], p. [...])].

Commission proposal COM(2018)375	European Parliament position (EP amendments) (Plenary mandate 13/2/19)	Council position (Coreper mandate 19/12/18)	Compromise proposal, comments	Row
<i>Article 6 Partnership and multi-level governance</i>	<i>[no change]</i> <sup>7</sup>	[no change]	<i>Provisional common understanding [no change]</i>	I - 22
1. Each Member State shall organise a partnership with the competent regional and local authorities. That partnership shall include at least the following partners:	<u>Amendment 74</u> <b>1. For the Partnership Agreement and each programme</b> , each Member State shall, <b>in accordance with its institutional and legal framework</b> , organise a <b>fully - fledged, effective</b> partnership with the competent regional and local authorities. That partnership shall include at least the following partners:	1. Each Member State shall organise <b>and implement</b> a partnership with <b>the involvement of relevant partners in accordance with Commission Delegated Regulation (EU) No 240/2014<sup>8</sup>, taking into account specificities of the Funds.</b> competent regional and local authorities. That partnership shall include at least the following partners:	<i>Provisional common understanding</i> <b>1. For the Partnership Agreement and each programme</b> , each Member State shall organise <b>and implement</b> a <b>comprehensive</b> partnership in <b>accordance with its institutional and legal framework and taking into account the specificities of the Funds</b> with the competent regional and local authorities. That partnership shall include at least the following partners:	I - 23
(a) urban and other public authorities;	<u>Amendment 75</u> <b>(a) regional, local</b> , urban and other public authorities;	<del>(a) urban and other public authorities;</del>	<i>Provisional common understanding</i> <b>(a) regional, local</b> , urban and other public authorities;	I - 24
(b) economic and social partners;	[no changes]	<del>(b) economic and social partners;</del>	<i>Provisional common understanding</i>	I - 25

<sup>7</sup> EP position: changes in the text of the Article 6 entail the following amendment to the corresponding recital: (11) The principle of partnership is a key feature in the implementation of the Funds, building on the multi-level governance approach and ensuring the involvement of **regional, local, and other public authorities**, civil society and social partners. In order to provide continuity in the organisation of partnership, **the Commission should be empowered to amend and adapt** Commission Delegated Regulation (EU) No 240/2014<sup>13</sup> ~~should continue to apply~~.

<sup>8</sup> Commission Delegated Regulation (EU) No 240/2014 of 7 January 2014 on the European code of conduct on partnership in the framework of the European Structural and Investment Funds (OJ L 74, 14.3.2014, p. 1).

Commission proposal COM(2018)375	European Parliament position (EP amendments) (Plenary mandate 13/2/19)	Council position (Coreper mandate 19/12/18)	Compromise proposal, comments	Row
			(b) economic and social partners;	
(c) relevant bodies representing civil society, environmental partners, and bodies responsible for promoting social inclusion, fundamental rights, rights of persons with disabilities, gender equality and non-discrimination.	<u>Amendment 76</u>  (c) relevant bodies representing civil society, <b>such as</b> environmental partners, <b>non-governmental organisations</b> , and bodies responsible for promoting social inclusion, fundamental rights, rights of persons with disabilities, gender equality and non-discrimination.	<del>(c) — relevant bodies representing civil society, environmental partners, and bodies responsible for promoting social inclusion, fundamental rights, rights of persons with disabilities, gender equality and non-discrimination.</del>	<i>Provisional common understanding</i>  (c) relevant bodies representing civil society, <b>such as</b> environmental partners, <b>non-governmental organisations</b> , and bodies responsible for promoting social inclusion, fundamental rights, rights of persons with disabilities, gender equality and non-discrimination.	I - 26
	<u>Amendment 77</u>  <b>(ca) research institutions and universities, where appropriate.</b>		<i>Provisional common understanding</i> <b>(ca) research institutions and universities, where appropriate.</b>	I - 27
2. In accordance with the multi-level governance principle, the Member State shall involve those partners in the preparation of Partnership Agreements and throughout the preparation and implementation of programmes including through participation in monitoring committees in accordance with Article 34.	<u>Amendments 78 and 459</u>  2. In accordance with the multi-level governance principle <b>and following a bottom-up approach</b> , the Member State shall involve those partners in the preparation of Partnership Agreements and throughout the preparation and, implementation <b>and evaluation</b> of programmes including through participation in monitoring committees in accordance with Article 34. <b>In that context, Member States shall allocate an appropriate</b>	<del>2. In accordance with the multi-level governance principle, the Member State shall involve those partners in the preparation of Partnership Agreements and throughout the preparation and implementation of programmes including through participation in monitoring committees in accordance with Article 34.</del>	<i>Provisional common understanding</i>  <b>2. The partnership established under paragraph 1 shall operate</b> in accordance with the multi-level governance principle <b>and a bottom-up approach</b> . The Member State shall involve those partners in the preparation of Partnership Agreements and throughout the preparation <b>and</b> , implementation <b>and evaluation</b> of programmes including through participation in monitoring committees in accordance with Article 34.	I – 28

Commission proposal COM(2018)375	European Parliament position (EP amendments) (Plenary mandate 13/2/19)	Council position (Coreper mandate 19/12/18)	Compromise proposal, comments	Row
	<i>percentage of the resources coming from the Funds for the administrative capacity building of social partners and civil society organisations. For cross-border programmes, the Member States concerned shall include partners from all participating Member States.</i>		<b>In that context, Member States shall, where relevant, allocate an appropriate percentage of the resources coming from the Funds for the administrative capacity building of social partners and civil society organisations. For Interreg programmes, the Partnership shall include partners from all participating Member States.</b>	
3. The organisation and implementation of partnership shall be carried out in accordance with Commission Delegated Regulation (EU) No 240/2014 <sup>9</sup> .	<u>Amendment 79</u>  3. The organisation and implementation of partnership shall be carried out in accordance with Commission Delegated Regulation (EU) No 240/2014 <sup>3</sup> . <i><b>The Commission is empowered to adopt delegated acts, in accordance with Article 107, concerning amendments to Delegated Regulation (EU) 240/2014 in order to adapt that Delegated Regulation to this Regulation.</b></i>	<del>3. The organisation and implementation of partnership shall be carried out in accordance with Commission Delegated Regulation (EU) No 240/2014<sup>3</sup>.</del>	<i>Provisional common understanding</i>  3. The organisation and implementation of partnership shall be carried out in accordance with Commission Delegated Regulation (EU) No 240/2014 <sup>3</sup> .  <i>New paragraph in Article 110 agreed:</i>  <b>The empowerment conferred in paragraph 3 of Article 5 of Regulation (EU) No 1303/2013 on the Commission to adopt a delegated act to provide for a European code of conduct on partnership (the ‘code of conduct’) shall remain in force for the 2021-2027 programming period.</b>	I - 29

<sup>9</sup> Commission Delegated Regulation (EU) No 240/2014 of 7 January 2014 on the European code of conduct on partnership in the framework of the European Structural and Investment Funds (OJ L 74, 14.3.2014, p. 1).

Commission proposal COM(2018)375	European Parliament position (EP amendments) (Plenary mandate 13/2/19)	Council position (Coreper mandate 19/12/18)	Compromise proposal, comments	Row
			<b>The delegation of power shall be exercised in accordance with Article 108.</b>  <i>[Consequential adjustments are required to recitals 11 or 69. Article 108(3) and (6) should refer to the new text of Article 110.]</i>	
4. At least once a year, the Commission shall consult the organisations which represent the partners at Union level on the implementation of programmes.	<u>Amendment 80</u>  4. At least once a year, the Commission shall consult the organisations which represent the partners at Union level on the implementation of programmes, <b>and shall report to the European Parliament and Council on the outcome.</b>	<del>4.2.</del> At least once a year, the Commission shall consult <del>the</del> organisations which represent <del>the</del> partners at Union level on the implementation of programmes.	<i>Provisional common understanding</i>  4. At least once a year, the Commission shall consult organisations which represent partners at Union level on the implementation of programmes, <b>and shall report to the European Parliament and Council on the outcome.</b>	I - 30
	<u>Amendment 81</u> <sup>10</sup>		<i>Provisional common understanding</i>	I - 31

<sup>10</sup> EP position:

- Recital (5) to be amended as follows: **(5)** Horizontal principles as set out in Article 3 of the Treaty on the European Union ('TEU') and in Article 10 of the TFEU, including principles of subsidiarity and proportionality as set out in Article 5 of the TEU should be respected in the implementation of the Funds, taking into account the Charter of Fundamental Rights of the European Union. Member States should also respect the obligations of the UN Convention on the Rights of **the Child and of the UN Convention on the Rights of** Persons with Disabilities and ensure accessibility in line with its article 9 and in accordance with the Union law harmonising accessibility requirements for products and services. ***In that context, the Funds should be implemented in a way which promotes deinstitutionalisation and community-based care.*** Member States and the Commission should aim at eliminating inequalities and at promoting equality between men and women and integrating the gender perspective, as well as at combating discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation. The Funds should not support actions that contribute to any form of segregation ***or exclusion, or support infrastructure which is inaccessible to persons with a disability.*** The objectives of the Funds should be pursued in the framework of sustainable development and the Union's promotion



Commission proposal COM(2018)375	European Parliament position (EP amendments) (Plenary mandate 13/2/19)	Council position (Coreper mandate 19/12/18)	Compromise proposal, comments	Row
	<p><b>Article 6 a (new)</b></p> <p><i>Horizontal Principles</i></p> <p><i>1. Member States and the Commission shall ensure respect for fundamental rights and compliance with the Charter of Fundamental Rights of the European Union in the implementation of the Funds.</i></p>		<p><b>Article 6 a (new)</b></p> <p><b>Horizontal Principles</b></p> <p><b>1. Member States and the Commission shall ensure respect for fundamental rights and compliance with the Charter of Fundamental Rights of the European Union in the implementation of the Funds.</b></p>	
	<p><i>2. Member States and the Commission shall ensure that equality between men and women, gender mainstreaming and the integration of gender perspective are taken into account and promoted throughout the preparation and implementation of programmes, including in relation to monitoring, reporting and evaluation.</i></p>		<p><i>Provisional common understanding</i></p> <p><b>2. Member States and the Commission shall ensure that equality between men and women, gender mainstreaming and the integration of gender perspective are taken into account and promoted throughout the preparation, implementation, monitoring reporting and evaluation of</b></p>	I - 32

of the aim of preserving, protecting and improving the quality of the environment as set out in Article 11 and Article 191(1) of the TFEU, taking into account the polluter pays principle **and taking into account the commitments agreed under the Paris Agreement**. In order to protect the integrity of the internal market, operations benefitting undertakings shall comply with Union State aid rules as set out in Articles 107 and 108 of the TFEU. **Poverty is one of the greatest challenges of the EU. The Funds should therefore contribute to the elimination of poverty. They should also contribute to fulfilling the commitment of the Union and its Member States to achieving the United Nations' Sustainable Development Goals.**

- First sentence of Recital (38) is amended as follows: (38) To ensure the **inclusiveness**, effectiveness, fairness and sustainable impact of the Funds, there should be provisions guaranteeing that investments in infrastructure or productive investment are **non-discriminatory and** long-lasting and prevent the Funds from being used to undue advantage. (...)



Commission proposal COM(2018)375	European Parliament position (EP amendments) (Plenary mandate 13/2/19)	Council position (Coreper mandate 19/12/18)	Compromise proposal, comments	Row
			programmes.	
	<i>3. Member States and the Commission shall take appropriate steps to prevent any discrimination based on gender, racial or ethnic origin, religion or belief, disability, age or sexual orientation during the preparation, implementation, monitoring, reporting and evaluation of programmes. In particular, accessibility for persons with disabilities shall be taken into account throughout the preparation and implementation of programmes.</i>		Provisional common understanding  3. Member States and the Commission shall take appropriate steps to prevent any discrimination based on gender, racial or ethnic origin, religion or belief, disability, age or sexual orientation during the preparation, implementation, monitoring, reporting and evaluation of programmes. In particular, accessibility for persons with disabilities shall be taken into account throughout the preparation and implementation of programmes.	I - 33
	<i>4. The objectives of the Funds shall be pursued in line with the principle of sustainable development, taking into account the UN Sustainable Development Goals and with the Union's promotion of the aim of preserving, protecting and improving the quality of environment and combating climate change, taking into account the polluter pays principle, as set out in Article 191(1) and (2) TFEU.</i>		Provisional common understanding  4. The objectives of the Funds shall be pursued in line with the objective of promoting sustainable development as set out in Article 11 TFEU, taking into account the UN Sustainable Development Goals and the Paris Climate Agreement.	I - 34
	<i>Member States and the Commission shall ensure that environmental protection requirements, resource</i>		Provisional common understanding	I - 35

Commission proposal COM(2018)375	European Parliament position (EP amendments) (Plenary mandate 13/2/19)	Council position (Coreper mandate 19/12/18)	Compromise proposal, comments	Row
	<i>efficiency, energy efficiency first-principle, socially just energy transition, climate change mitigation and adaptation, biodiversity, disaster resilience, and risk prevention and management are promoted in the preparation and implementation of programmes. They shall aim at avoiding investments related to production, processing, distribution, storage or combustion of fossil fuels.</i>		<b>The objectives of the Funds shall be pursued in full respect of the EU environmental acquis.</b>	
TITLE II STRATEGIC APPROACH	[no change]	[no change]	Provisional common understanding [no change]	I - 36
CHAPTER I Partnership Agreement	[no change]	[no change]	Provisional common understanding [no change]	I - 37
Article 7 Preparation and submission of the Partnership Agreement	[no change] <sup>11</sup>	Article 7 Preparation and submission of the <del>Partnership Agreement</del>	Provisional common understanding [no change]	I - 38
1. Each Member State shall prepare a Partnership Agreement which sets	<u>Amendment 82</u>	1. Each Member State shall prepare a Partnership Agreement which sets	Provisional common understanding	I - 39

<sup>11</sup> EP position: Recital (15) is amended as follows: (15) The Partnership Agreement, prepared by each Member State, should be a strategic document guiding the negotiations between the Commission and the Member State concerned on the design of programmes. In order to reduce the administrative burden, it should not be necessary to amend Partnership Agreements during the programming period. To facilitate the programming and avoid overlapping content in programming documents, **it should be possible for** Partnership Agreements ~~can to~~ be included as part of a programme.

Commission proposal COM(2018)375	European Parliament position (EP amendments) (Plenary mandate 13/2/19)	Council position (Coreper mandate 19/12/18)	Compromise proposal, comments	Row
out arrangements for using the Funds in an effective and efficient way for the period from 1 January 2021 to 31 December 2027.	1. Each Member State shall prepare a Partnership Agreement which sets out arrangements for using the Funds in an effective and efficient way for the period from 1 January 2021 to 31 December 2027. <b><i>Such Partnership Agreement shall be prepared in accordance with the code of conduct established by the Commission Delegated Regulation (EU) No 240/2014.</i></b>	out <b>the strategic orientation for programming and the</b> arrangements for using the Funds <b>ERDF, the Cohesion Fund, the ESF+, and the EMFF</b> in an effective and efficient way for the period from 1 January 2021 to 31 December 2027.	1. Each Member State shall prepare a Partnership Agreement which sets out <b>the strategic orientation for programming and the</b> arrangements for using the Funds <b>ERDF, the Cohesion Fund, the ESF+, and the EMFF</b> in an effective and efficient way for the period from 1 January 2021 to 31 December 2027.	
		<b>The requirement in the first subparagraph shall not apply where:</b>  a) the amount of resources for a Member State from the ERDF, the Cohesion Fund and the ESF+ is lower than 2.5bn EUR, or  b) a Member State does not submit more than three programmes under the Investment for jobs and growth goal.	<i>Provisional common understanding</i>  <b>1a. The Partnership Agreement shall be prepared in accordance with the code of conduct established by the Commission Delegated Regulation (EU) No 240/2014. When a Member State already provides for a comprehensive partnership during the preparation of its programmes, this requirement is considered to be complied with.</b>	I - 40
2. The Member State shall submit the Partnership Agreement to the Commission before or at the same time as the submission of the first programme.	<u>Amendment 83</u>  2. The Member State shall submit the Partnership Agreement to the Commission before or at the same	[no change]	<i>Provisional common understanding</i>  [no change]	I - 41

Commission proposal COM(2018)375	European Parliament position (EP amendments) (Plenary mandate 13/2/19)	Council position (Coreper mandate 19/12/18)	Compromise proposal, comments	Row
	time as the submission of the first programme, <b>but not later than 30 April 2021</b> .			
3. The Partnership Agreement may be submitted together with the relevant annual National Reform Programme.	<u>Amendment 84</u>  3. The Partnership Agreement may be submitted together with the relevant annual National Reform Programme <b>and the National Energy and Climate Plan</b> .	<del>3. The Partnership Agreement may be submitted together with the relevant annual National Reform Programme.</del>	<i>Provisional common understanding</i>  3. The Partnership Agreement may be submitted together with the relevant annual National Reform Programme <b>and the National Energy and Climate Plan</b> .	I - 42
			<i>Provisional common understanding</i>  <b>3a. The Partnership Agreement shall be a strategic and concise document. It shall be no more than 35 pages, unless the Member State, at its own initiative, decides to extend the length of the document.</b>  <i>[The reference to the number of pages to be seen while aligning the Annex.]</i>	I-42 BIS
4. The Member State shall draw up the Partnership Agreement in accordance with the template set out in Annex II. It may include the Partnership Agreement in one of its programmes.	<i>[no change]</i>	4. The Member State shall draw up the Partnership Agreement in accordance with the template set out in Annex II. <del>It may include the Partnership Agreement in one of its programmes.</del>	<i>Provisional common understanding</i>  <i>[no change]</i>  <i>Comment: In Annex II: Reduction of indicative characters in text field for point 2 (Policy choices, coordination</i>	I - 43

<b>Commission proposal COM(2018)375</b>	<b>European Parliament position (EP amendments) (Plenary mandate 13/2/19)</b>	<b>Council position (Coreper mandate 19/12/18)</b>	<b>Compromise proposal, comments</b>	<b>Row</b>
			<i>and complementarity), from 60 000 to 30 000 and inclusion of a minimum of 10 000, to effectively create a range of 10 000 - 30 000 characters.</i>	
5. Interreg programmes may be submitted to the Commission before the submission of the Partnership Agreement.	<i>[no change]</i>	[no change]	<i>Provisional common understanding  [no change]</i>	I - 44
			<i>Provisional common understanding</i>  <b>6. The EIB may, at the request of Member States, participate in the preparation of the Partnership Agreement, as well as in activities relating to the preparation of operations, financial instruments and PPPs.</b>	I-44 BIS
<i>Article 8 Content of the Partnership Agreement</i>	<i>[no change]</i>	Article 8 Content of the Partnership Agreement	<i>Provisional common understanding  [no change]</i>	I - 45
The Partnership Agreement shall contain the following elements:	<i>[no change]</i>	<b>1.</b> The Partnership Agreement shall contain the following elements:	<i>Provisional common understanding  [no change]</i>	I - 46
(a) the selected policy objectives	<u>Amendment 85</u> <sup>12</sup>	(a) the selected policy objectives	<i>Provisional common understanding</i>	I - 47

<sup>12</sup> EP position:  
- Recital (12) is deleted;

Commission proposal COM(2018)375	European Parliament position (EP amendments) (Plenary mandate 13/2/19)	Council position (Coreper mandate 19/12/18)	Compromise proposal, comments	Row
indicating by which of the Funds and programmes they will be pursued and a justification thereto, and where relevant, a justification for using the delivery mode of the InvestEU, taking into account relevant country-specific recommendations;	(a) the selected policy objectives indicating by which of the Funds and programmes they will be pursued and a justification thereto, <del>and where relevant, a justification for using the delivery mode of the InvestEU,</del> taking into account <b>and listing</b> relevant country-specific recommendations, <b>as well as regional challenges</b> ;	indicating by which of the funds <b>covered by the Partnership Agreement</b> and programmes they will be pursued and a justification thereto, and where relevant, a justification for using the delivery mode of the InvestEU, taking into account relevant country-specific recommendations, <b>as well as the principles of the European Pillar of Social Rights</b> ;	(a) the selected policy objectives indicating by which of the funds <b>covered by the Partnership Agreement</b> and programmes they will be pursued and a justification thereto, <del>[and where relevant, a justification for using the delivery mode of the InvestEU]</del> <sup>13</sup> , taking into account relevant country-specific recommendations, <b>the National Energy and Climate Plan, the principles of the European Pillar of Social Rights and, where relevant, regional challenges</b> ;	
(b) for each of the selected policy objectives referred to in point (a):	<i>[no change]</i>	[no change]	<i>Provisional common understanding</i>  [no change]	I - 48
(i) a summary of the policy choices and the main results expected for each of the Funds, including where relevant, through the use of InvestEU;	<u>Amendment 86</u>  (i) a summary of the policy choices and the main results expected for each of the Funds, <del>including where relevant, through the use of InvestEU;</del>	(i) a summary of the policy choices and the main results expected for each of the funds <b>covered by the Partnership Agreement</b> , including where relevant, through the use of InvestEU;	<i>Provisional common understanding</i>  (i) a summary of the policy choices and the main results expected for each of the funds <b>covered by the Partnership Agreement</b> , <del>including where relevant, through the use of InvestEU;</del>	I - 49

- the first sentence of recital (13) is amended as follows: Member States should ~~determine how~~ **take into account** relevant country-specific recommendations adopted in accordance with Article 121(2) of the TFEU and relevant Council recommendations adopted in accordance with Article 148(4) of the TFEU ('CSR's) ~~are taken into account~~ in the preparation of programming documents, **where they are consistent with the programme's objectives**.

<sup>13</sup> Put in square brackets pending the outcome of discussions on Article 10.

Commission proposal COM(2018)375	European Parliament position (EP amendments) (Plenary mandate 13/2/19)	Council position (Coreper mandate 19/12/18)	Compromise proposal, comments	Row
(ii) coordination, demarcation and complementarities between the Funds and, where appropriate, coordination between national and regional programmes;	<u>Amendment 87</u>  (ii) coordination, demarcation and complementarities between the Funds and, where appropriate, coordination between national and regional programmes, <b>in particular with regard to CAP Strategic Plans referred to in Regulation (EU) [...] (the 'CAP Strategic Plans Regulation')</b> ;	[no change]	<i>Provisional common understanding</i>  [no change]	I - 50
(iii) complementarities between the Funds and other Union instruments, including LIFE strategic integrated projects and strategic nature projects;	<u>Amendment 88</u> <sup>14</sup>  (iii) complementarities <b>and synergies</b> between the Funds and other Union instruments, including LIFE strategic integrated projects and strategic nature projects, <b>and, where appropriate, projects funded under Horizon Europe</b> ;	(iii) complementarities between the funds <b>covered by the Partnership Agreement</b> and other Union instruments, <del>including LIFE strategic integrated projects and strategic nature projects</del> <b>funds</b> ;	<i>Provisional common understanding</i>  (iii) complementarities <b>and synergies</b> between the <b>funds covered by the Partnership Agreement, the AMIF, the ISF, the BMVI</b> , and other Union instruments, including LIFE strategic integrated projects and strategic nature projects, <b>and, where appropriate, projects funded under Horizon Europe</b> ;	I - 51
	<u>Amendment 89</u>  <b>(iii a) delivery on targets, policies and measures under the National</b>		<i>Provisional common understanding</i>  [no change] <i>Comment: EP amendment</i>	I - 52

<sup>14</sup> EP position: Recital (36) is amended as follows: In order to optimise the uptake of co-financed environmental investments, synergies should be ensured with the LIFE programme for Environmental and Climate Action, in particular through LIFE strategic integrated projects and strategic nature projects, **as well as with projects funded under Horizon Europe and other Union programmes**.



Commission proposal COM(2018)375	European Parliament position (EP amendments) (Plenary mandate 13/2/19)	Council position (Coreper mandate 19/12/18)	Compromise proposal, comments	Row
	<b><i>Energy and Climate Plans;</i></b>		<i>withdrawn as covered in row 47</i>	
(c) the preliminary financial allocation from each of the Funds by policy objective at national level, respecting Fund-specific rules on thematic concentration;	<u>Amendment 90</u>  (c) the preliminary financial allocation from each of the Funds by policy objective at national <b><i>and where appropriate at regional</i></b> level, respecting Fund-specific rules on thematic concentration;	(c) the preliminary financial allocation from each of the funds <b>covered by the Partnership Agreement</b> by policy objective at national level, respecting Fund-specific rules on thematic concentration;	<i>Provisional common understanding</i>  (c) the preliminary financial allocation from each of the <b>funds covered by the Partnership Agreement</b> by policy objective at national <b>and where appropriate at regional</b> level, respecting Fund-specific rules on thematic concentration;	I - 53
(d) where relevant, the breakdown of financial resources by category of regions drawn up in accordance with Article 102(2) and the amounts of allocations proposed to be transferred between categories of regions pursuant to Article 105;	<u>Amendment 91</u>  (d) <del>where relevant</del> , the breakdown of financial resources by category of regions drawn up in accordance with Article 102(2) and the amounts of allocations proposed to be transferred between categories of regions pursuant to Article 105;	[no change]	<i>Provisional common understanding</i>  [no change]	I - 54
		(d bis) for technical assistance, the choice of the Member State of the form of Union contribution in accordance with Article 30(3) and, where applicable, the preliminary financial allocation from each of the Funds at national level and breakdown of financial resources by programme and category of regions;	<i>Provisional common understanding</i>  (d bis) for technical assistance, the choice of the Member State of the form of Union contribution pursuant to Article 30(3) and, where applicable, the preliminary financial allocation from each of the funds covered by the Partnership Agreement at national level and breakdown of financial resources by	I - 55



Commission proposal COM(2018)375	European Parliament position (EP amendments) (Plenary mandate 13/2/19)	Council position (Coreper mandate 19/12/18)	Compromise proposal, comments	Row
			<b>programme and category of regions;</b>	
(e) the amounts to be contributed to InvestEU by Fund and by category of regions;	<u>Amendment 92</u> <del>(e) the amounts to be contributed to InvestEU by Fund and by category of regions;</del>	(e) the amounts to be contributed to InvestEU by fund and by category of regions, <b>where relevant</b> ;	<i>Provisional common understanding</i> <del>[(e) the amounts to be contributed to InvestEU by Fund and by category of regions;]</del> <sup>15</sup>	I - 56
(f) the list of planned programmes under the Funds with the respective preliminary financial allocations by fund and the corresponding national contribution by category of regions;	<i>[no change]</i>	(f) the list of planned programmes under the <b>funds</b> with the respective preliminary financial allocations by fund and the corresponding national contribution by category of regions;	<i>Provisional common understanding</i>  (f) the list of planned programmes under the <b>funds covered by the Partnership Agreement</b> with the respective preliminary financial allocations by fund and the corresponding national contribution by category of regions;	I - 57
(g) a summary of the actions which the Member State concerned shall take to reinforce its administrative capacity of the implementation of the Funds.	<u>Amendment 93</u>  (g) a summary of the actions which the Member State concerned shall take to reinforce its administrative capacity of the implementation of the Funds <b>and its management and control system</b> .	(g) a summary of the actions which the Member State concerned <del>shall</del> <b>plans to</b> take to reinforce its administrative capacity of the implementation of the <b>funds covered by the Partnership Agreement</b> .	<i>Provisional common understanding</i>  (g) a summary of the actions which the Member State concerned <del>shall</del> <b>plans to</b> take to reinforce its administrative capacity of the implementation of the <b>funds covered by the Partnership Agreement</b>	I - 58
	<u>Amendment 94</u>  <i>(ga) where appropriate, an</i>		<i>Provisional common understanding</i>  <b>(ga) where appropriate, an</b>	I - 59

<sup>15</sup> Put in square brackets pending the outcome of discussions on Article 10.

Commission proposal COM(2018)375	European Parliament position (EP amendments) (Plenary mandate 13/2/19)	Council position (Coreper mandate 19/12/18)	Compromise proposal, comments	Row
	<i>integrated approach to address the demographic challenges and/ or specific needs of regions and areas;</i>		<b>integrated approach to address the demographic challenges and/ or specific needs of regions and areas;</b>	
	<u>Amendment 95</u>  <i>(gb) a communication and visibility strategy.</i>		Comment: EP amendment withdrawn; this issue will be revisited when discussing the content of the Programmes and block 3;	I - 60
	<u>Amendment 96</u> <sup>16</sup>  <i>The EIB may, at the request of Member States, participate in the preparation of the Partnership Agreement, as well as in activities relating to the preparation of operations, financial instruments and PPPs.</i>		<i>Provisional common understanding</i>  <i>[EP AMD moved to I-44BIS]</i>	I - 61
With regard to the European territorial cooperation goal (Interreg), the Partnership Agreement shall only contain the list of planned programmes.	<u>Amendment 97</u>  With regard to the European territorial cooperation goal (Interreg), the Partnership Agreement shall only contain the list of planned programmes <i>and the cross-border investment needs in the concerned Member State.</i>	[no change]	<i>Provisional common understanding</i>  [no change]	I - 62

<sup>16</sup> EP position: A new Recital 48a to be added as follows: *To support the effective use of the Funds, the EIB support should be available to all Member States at their request. This could cover capacity building, support for project identification, preparation and implementation, as well as advice on financial instruments and investment platforms.*

Commission proposal COM(2018)375	European Parliament position (EP amendments) (Plenary mandate 13/2/19)	Council position (Coreper mandate 19/12/18)	Compromise proposal, comments	Row
		<b>The Partnership Agreement may also contain a summary of the assessment of the fulfilment of relevant enabling conditions referred to in Article 11 and Annexes III and IV.</b>	<i>Provisional common understanding</i>  <b>The Partnership Agreement may also contain a summary of the assessment of the fulfilment of relevant enabling conditions referred to in Article 11 and Annexes III and IV.</b>	I - 63
		<b>2. Where a Partnership Agreement is not prepared pursuant to the second subparagraph of paragraph 1 of Article 7, a comprehensive set of information covering points (c) to (f) of paragraph 1 shall be sent to the Commission in the form of Annex IIbis [tables included in sections 3 to 6 of Annex II ] before or at the same time as the submission of the first programme.</b>	<i>Provisional common understanding</i>  <i>[CONS amendment withdrawn]</i>	I - 64
<i>Article 9 Approval of the Partnership Agreement</i>	<i>[no change]</i>	Article 9 Approval of the Partnership Agreement	<i>Provisional common understanding</i>  <i>[no change]</i>	I - 65
1. The Commission shall assess the Partnership Agreement and its compliance with this Regulation and with the Fund-specific rules. In its assessment, the Commission shall, in	<u>Amendment 98</u>  1. The Commission shall assess the Partnership Agreement and its compliance with this Regulation and	1. The Commission shall assess the Partnership Agreement and its compliance with this Regulation and with the Fund-specific rules. In its assessment, the Commission shall, in	<i>Provisional common understanding</i>  1. The Commission shall assess the Partnership Agreement and its compliance with this Regulation and	I - 66

Commission proposal COM(2018)375	European Parliament position (EP amendments) (Plenary mandate 13/2/19)	Council position (Coreper mandate 19/12/18)	Compromise proposal, comments	Row
particular, take into account relevant country-specific recommendations.	with the Fund-specific rules. In its assessment, the Commission shall, <del>in particular</del> , take into account <b><i>the provisions of Article 4 and 6, the relevant country-specific recommendations, as well as the measures linked to integrated national energy and climate plans and the way they are addressed.</i></b>	particular, take into account <b>how the Member State intends to address</b> relevant country-specific recommendations.	with the Fund-specific rules <b>while respecting the principle of proportionality, taking into account the strategic nature of the document, the number of programmes covered and the total amount of resources allocated to the Member State concerned.</b> In its assessment, the Commission shall, in particular, take into account <b>how the Member State intends to address</b> relevant country-specific recommendations, <b>National Energy and Climate Plans as well as the European Pillar of Social Rights.</b>  <i>Changes to recital (15):</i>  The Partnership Agreement, prepared by each Member State, should be a <b>concise and</b> strategic document guiding the negotiations between the Commission and the Member State concerned on the design of programmes <b>under ERDF, Cohesion Fund, ESF+ and EMFF. In order to streamline the approval process, the Commission should respect the principle of proportionality in its assessment, particularly concerning the length of the Partnership Agreement as set out in Annex II and requests for additional information.</b>	

Commission proposal COM(2018)375	European Parliament position (EP amendments) (Plenary mandate 13/2/19)	Council position (Coreper mandate 19/12/18)	Compromise proposal, comments	Row
			In order to reduce the administrative burden, it should not be necessary to amend Partnership Agreements during the programming period. To facilitate the programming and avoid overlapping content in programming documents, Partnership agreements can be included as part of a programme.	
2. The Commission may make observations within three months of the date of submission by the Member State of the Partnership Agreement.	<u>Amendment 99</u>  2. The Commission may make observations within <del>three</del> <b>two</b> months of the date of submission by the Member State of the Partnership Agreement.	[no change]	<i>Provisional common understanding</i>  [no change]	I - 67
3. The Member State shall review the Partnership Agreement taking into account the observations made by the Commission.	<u>Amendment 100</u>  3. The Member State shall review the Partnership Agreement taking into account the observations made by the Commission <b>within one month of the date of their submission.</b>	[no change]	<i>Provisional common understanding</i>  [no change]	I - 68
4. The Commission shall adopt a decision by means of an implementing act approving the Partnership Agreement no later than four months after the date of submission of that Partnership	<u>Amendment 101</u>  4. The Commission shall adopt a decision by means of an implementing act approving the Partnership Agreement no later than four months after the date of <b>the first</b>	4. The Commission shall adopt a decision by means of an implementing act approving the Partnership Agreement no later than four months after the date of submission of that Partnership	<i>Provisional common understanding</i>  4. The Commission shall adopt a decision by means of an implementing act approving the Partnership Agreement no later than four months after the date of submission of that	I - 69

<b>Commission proposal COM(2018)375</b>	<b>European Parliament position (EP amendments) (Plenary mandate 13/2/19)</b>	<b>Council position (Coreper mandate 19/12/18)</b>	<b>Compromise proposal, comments</b>	<b>Row</b>
Agreement by the Member State concerned. The Partnership Agreement shall not be amended.	submission of that Partnership Agreement by the Member State concerned. The Partnership Agreement shall not be amended.	Agreement by the Member State concerned. <del>The Partnership Agreement shall not be amended.</del>	Partnership Agreement by the Member State concerned. <del>The Partnership Agreement shall not be amended.</del>	
5. If, pursuant to Article 7(4), the Partnership Agreement is included in a programme, the Commission shall adopt a decision by means of an implementing act approving that programme no later than six months after the date of submission of that programme by the Member State concerned.	<i>[no change]</i>	<del>5. If, pursuant to Article 7(4), the Partnership Agreement is included in a programme, the Commission shall adopt a decision by means of an implementing act approving that programme no later than six months after the date of submission of that programme by the Member State concerned.</del>	<i>Provisional common understanding</i>  5. <b>When</b> the Partnership Agreement is included in a programme <b>in accordance with the second subparagraph of Article 7(4)</b> , the Commission shall adopt a <b>single</b> decision by means of an implementing act approving <b>the Partnership Agreement and</b> that programme no later than six months after the date of submission of that programme by the Member State concerned.	I - 70
			<i>Provisional common understanding</i>  <b>Article 9a (new) – Amendment of the Partnership Agreement</b>  <b>1. The Member State may submit to the Commission by 31 March 2025 an amended Partnership Agreement taking into account the the outcome of the mid-term review.</b>  <b>2. The Commission shall assess the amendment and may make observations within three months of</b>	I-70BIS

Commission proposal COM(2018)375	European Parliament position (EP amendments) (Plenary mandate 13/2/19)	Council position (Coreper mandate 19/12/18)	Compromise proposal, comments	Row
			<p>the submission of the amended Partnership Agreement.</p> <p>3. The Member State shall review the amended Partnership Agreement taking into account the observations made by the Commission.</p> <p>4. The Commission shall approve the amendment of a Partnership Agreement no later than six months after its first submission by the Member State.</p>	
Article 10 Use of the ERDF, the ESF+, the Cohesion Fund and the EMFF delivered through InvestEU	[no change] <sup>17</sup>	[no change]	Article 10 not yet discussed	I - 71
1. Member States may allocate, in the Partnership Agreement or in the request for an amendment of a programme, the amount of ERDF, the ESF+, the Cohesion Fund and the EMFF to be contributed to InvestEU and delivered through budgetary guarantees. The amount to be contributed to InvestEU shall not exceed 5 % of the total allocation of	<p><u>Amendment 428</u></p> <p>1. <i>As of 1 January 2023</i>, Member States, <i>with the agreement of the managing authorities concerned</i>, may allocate, <del>in the Partnership Agreement or</del> in the request for an amendment of a programme, <del>the amount of</del> <i>up to 2%</i> of ERDF, the ESF+, the Cohesion Fund and the</p>	<p>1. Member States may allocate<del>7</del>:</p> <p>- in the Partnership Agreement or in the <b>comprehensive set of information referred to in Article 8(2)</b>; or</p> <p>- <b>in the</b> request for an amendment of a programme,</p> <p>the amount of ERDF, the ESF+, the</p>		I - 72

<sup>17</sup> EP position: Recital (16) is amended as follows: (16) Each Member State ~~should~~ **could** have the flexibility to contribute to InvestEU for the provision of budgetary guarantees for investments in that Member State, ***under certain conditions specified in Article 10 of this Regulation.***

Commission proposal COM(2018)375	European Parliament position (EP amendments) (Plenary mandate 13/2/19)	Council position (Coreper mandate 19/12/18)	Compromise proposal, comments	Row
each Fund, except in duly justified cases. Such contributions shall not constitute transfers of resources under Article 21.	EMFF to be contributed to InvestEU and delivered through budgetary guarantees. <del>The amount to be contributed to InvestEU shall not exceed 5 %</del> <b>Up to 3% of the total allocation of each Fund, except in duly justified cases <i>may be further allocated to InvestEU under the mid-term review.</i> Such contributions shall not constitute transfers of be available for investments in line with cohesion policy objectives and in the same category of regions targeted by the Funds of origin. Whenever an amount of ERDF, ESF+, Cohesion Fund is contributed to Invest EU, the enabling conditions as described in Article 11 and in Annexes III and IV to this Regulation shall apply. Only resources of future calendar years may be allocated.</b> <del>under Article 21.</del>	Cohesion Fund and the EMFF to be contributed to InvestEU and delivered through budgetary guarantees. The amount to be contributed to InvestEU shall not exceed [5 %%%] of the total allocation of each Fund, except in duly justified cases. Such contributions shall not constitute transfers of resources under Article 21.		
2. For the Partnership Agreement, resources of the current and future calendar years may be allocated. For the request for an amendment of a programme, only resources of future calendar years may be allocated.	<u>Amendment 103</u> <del>2. For the Partnership Agreement, resources of the current and future calendar years may be allocated. For the request for an amendment of a programme, only resources of future calendar years may be allocated.</del>	2. For the Partnership Agreement, <b>or in the comprehensive set of information referred to in Article 8(2)</b> , resources of the current and future calendar years may be allocated. For the request for an amendment of a programme, only resources of future calendar years may be allocated.		I - 73



Commission proposal COM(2018)375	European Parliament position (EP amendments) (Plenary mandate 13/2/19)	Council position (Coreper mandate 19/12/18)	Compromise proposal, comments	Row
3. The amount referred to in paragraph 1 shall be used for the provisioning of the part of the EU guarantee under the Member State compartment.	<u>Amendment 104</u>  3. The amount referred to in paragraph 1 shall be used for the provisioning of the part of the EU guarantee under the <b>respective</b> Member State compartment.	<i>[no change]</i>		I - 74
4. Where a contribution agreement, as set out in Article [9] of the [InvestEU Regulation], has not been concluded by 31 December 2021 for an amount referred to in paragraph 1 allocated in the Partnership Agreement, the Member State shall submit a request for amendment of a programme or programmes to use the corresponding amount.	<u>Amendment 105</u>  Where a contribution agreement, as set out in Article [9] of the [InvestEU Regulation], has not been concluded by 31 December <del>2021</del> <b>2023</b> for an amount referred to in paragraph 1, <del>allocated in the Partnership Agreement</del> , the Member State shall submit a request for amendment of a programme or programmes to use the corresponding amount.	4. Where a contribution agreement, as set out in Article [9] of the [InvestEU Regulation], has not been concluded by 31 December 2021 for an amount referred to in paragraph 1 allocated in the Partnership Agreement; <b>or in the comprehensive set of information referred to in Article 8(2)</b> , the Member State shall submit a request for amendment of a programme or programmes to use the corresponding amount.		I - 75
The contribution agreement for an amount referred to in paragraph 1 allocated in the request of the amendment of a programme shall be concluded simultaneously with the adoption of the decision amending the programme.	<u>Amendment 106</u>  The contribution agreement for an amount referred to in paragraph 1 allocated in the request of the amendment of a programme shall be concluded, <b>or amended as the case may be</b> , simultaneously with the adoption of the decision amending	<i>[no change]</i>		I - 76

Commission proposal COM(2018)375	European Parliament position (EP amendments) (Plenary mandate 13/2/19)	Council position (Coreper mandate 19/12/18)	Compromise proposal, comments	Row
	the programme.			
5. Where a guarantee agreement, as set out in Article [9] of the [InvestEU Regulation], has not been concluded within nine months from the approval of the contribution agreement, the respective amounts paid into the common provisioning fund as a provisioning shall be transferred back to a programme or programmes and the Member State shall submit a corresponding request for a programme amendment.	<u>Amendment 107</u>  5. Where a guarantee agreement, as set out in Article [9] of the [InvestEU Regulation], has not been concluded within nine months from the approval of the contribution agreement, the respective amounts paid into the common provisioning fund as a provisioning shall be transferred back to <b><i>the original</i></b> programme or programmes and the Member State shall submit a corresponding request for a programme amendment. <b><i>In this particular case, resources of past calendar years may be modified, as long as the commitments are not yet implemented.</i></b>	[no change]		I - 77
6. Where a guarantee agreement, as set out in Article [9] of the [InvestEU Regulation], has not been fully implemented within four years from the signature of the guarantee agreement, the Member State may request that amounts committed in the guarantee agreement but not covering underlying loans or other risk bearing instruments shall be treated in accordance with paragraph	[no change]	[no change]		I - 78

Commission proposal COM(2018)375	European Parliament position (EP amendments) (Plenary mandate 13/2/19)	Council position (Coreper mandate 19/12/18)	Compromise proposal, comments	Row
5.				
7. Resources generated by or attributable to the amounts contributed to InvestEU and delivered through budgetary guarantees shall be made available to the Member State and shall be used for support under the same objective or objectives in the form of financial instruments.	<u>Amendment 108</u>  7. Resources generated by or attributable to the amounts contributed to InvestEU and delivered through budgetary guarantees shall be made available to the Member State and <b><i>the local or regional authority concerned by the contribution and</i></b> shall be used for support under the same objective or objectives in the form of financial instruments.	[no change]		I - 79
8. The Commission shall re-budget contributed amounts which have not been used for InvestEU for the year in which the corresponding programme amendment is approved. Such re-budgetisation may not go beyond the year 2027.	[no change]	[no change]		I - 80
The decommitment time limit for the re-budgeted amount in accordance with Article 99 shall start from the year in which the contribution has been re-budgeted.	[no change]	[no change]		I - 81
TITLE III PROGRAMMING	[no change]	[no change]	Provisional common understanding	I - 82

Commission proposal COM(2018)375	European Parliament position (EP amendments) (Plenary mandate 13/2/19)	Council position (Coreper mandate 19/12/18)	Compromise proposal, comments	Row
CHAPTER I General provisions on the Funds	[no change]	[no change]	Provisional common understanding  [no change]	I - 83
Article 16 Preparation and submission of programmes	[no change] <sup>18</sup>	[no change]	Provisional common understanding  [no change]	I - 84
1. Member States shall prepare programmes to implement the Funds for the period from 1 January 2021 to 31 December 2027.	<u>Amendment 140</u>  1. Member States <b>in cooperation with the partners referred to in Article 6</b> shall prepare programmes to implement the Funds for the period from 1 January 2021 to 31 December 2027.	[no change]	Provisional common understanding  1. Member States shall prepare programmes to implement the Funds for the period from 1 January 2021 to 31 December 2027. This shall be done in cooperation with the partners referred to in Article 6.	I - 85
2. Member States shall submit programmes to the Commission no later than 3 months after the submission of the Partnership Agreement.	[no change]	2. Member States shall submit programmes to the Commission no later than 3 months after the submission of the Partnership Agreement <b>or of the comprehensive set of information referred to in Article 8(2). For the AMIF, the ISF and the BMVI, Member States shall submit programmes to the</b>	Provisional common understanding  2. Member States shall submit programmes to the Commission no later than 3 months after the submission of the Partnership Agreement. <b>For the AMIF, the ISF and the BMVI, Member States shall submit programmes to the Commission no</b>	I - 86

<sup>18</sup> EP position: Recital (46) is amended as follows: (46) In order to hasten the start of programme implementation, the roll-over of implementation arrangements, **including administrative and IT systems**, from the previous programming period should be facilitated **where possible**. The use of the computerised system already established for the previous programming period, adapted as required, should be maintained, unless a new technology is necessary.

Commission proposal COM(2018)375	European Parliament position (EP amendments) (Plenary mandate 13/2/19)	Council position (Coreper mandate 19/12/18)	Compromise proposal, comments	Row
		<b>Commission no later than 3 months after the entry into force of [this Regulation] and [the relevant fund-specific Regulation], whichever is later.</b>	<b>later than 3 months after the entry into force of [this Regulation] and [the relevant fund-specific Regulation], whichever is later.</b>	
3. Member States shall prepare programmes in accordance with the programme template set out in Annex V.	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding</i>  <i>[no change]</i>	I - 87
For the AMIF, the ISF and the BMVI, the Member State shall prepare programmes in accordance with the programme template set out in Annex VI.	<i>[no change]</i>	For the AMIF, the ISF and the BMVI, <del>the</del> Member States shall prepare programmes in accordance with the programme template set out in Annex VI.	<i>Provisional common understanding</i>  For the AMIF, the ISF and the BMVI, <del>the</del> Member States shall prepare programmes in accordance with the programme template set out in Annex VI.	I - 88
			<i>Provisional common understanding</i>  <b>3a. Where an environmental report is prepared in accordance with Directive 2001/42/EC, it shall be published on the programme website referred to in Article 44(1) of this Regulation.</b>	I-88 BIS
<i>Article 17</i> <i>Content of programmes</i>	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding</i>  <i>[no change]</i>	I - 89
1. Each programme shall set out a strategy for the programme's	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding</i>	I - 90

Commission proposal COM(2018)375	European Parliament position (EP amendments) (Plenary mandate 13/2/19)	Council position (Coreper mandate 19/12/18)	Compromise proposal, comments	Row
contribution to the policy objectives and the communication of its results.			[no change]	
2. A programme shall consist of priorities. Each priority shall correspond to a single policy objective or to technical assistance. A priority corresponding to a policy objective shall consist of one or more specific objectives. More than one priority may correspond to the same policy objective.	<u>Amendment 141</u>  A programme shall consist of priorities. Each priority shall correspond to <del>a single</del> <b>one or several</b> policy <del>objective</del> <b>objectives</b> or to technical assistance. A priority corresponding to a policy objective shall consist of one or more specific objectives. More than one priority may correspond to the same policy objective.	2. A programme shall consist of <b>one or more</b> priorities. Each priority shall correspond to a single policy objective or to technical assistance <b>if it is implemented pursuant to Article 30(4) or Article 32 and may use support from one or more Funds</b> . A priority corresponding to a policy objective shall consist of one or more specific objectives. More than one priority may correspond to the same policy objective.	<i>Provisional common understanding</i>  2. A programme shall consist of <b>one or more</b> priorities. Each priority shall correspond to a single policy objective or to technical assistance <b>if it is implemented pursuant to Article 30(4) or Article 32 and may use support from one or more Funds</b> . A priority corresponding to a policy objective shall consist of one or more specific objectives. More than one priority may correspond to the same policy objective.	I - 91
For programmes supported by the EMFF, each priority may correspond to one or more policy objectives. Specific objectives correspond to areas of support as defined in Annex [III] to the EMFF Regulation.	[no change]	For programmes supported by the EMFF, each priority may correspond to one or more policy objectives. <del>Specific objectives correspond to areas of support as defined in Annex [III] to the EMFF Regulation.</del>	<i>Provisional common understanding</i>  For programmes supported by the EMFF, each priority may correspond to one or more policy objectives. <del>Specific objectives correspond to areas of support as defined in Annex [III] to the EMFF Regulation.</del>	I - 92
For programmes supported by the AMIF, the ISF and the BMVI, a programme shall consist of specific objectives.	[no change]	For programmes supported by the AMIF, the ISF and the BMVI, a programme shall <b>use support from one Fund and</b> consist of specific objectives: <b>and of technical</b>	<i>Provisional common understanding</i>  For programmes supported by the AMIF, the ISF and the BMVI, a programme shall <b>use support from one Fund and</b> consist of specific	I - 93

Commission proposal COM(2018)375	European Parliament position (EP amendments) (Plenary mandate 13/2/19)	Council position (Coreper mandate 19/12/18)	Compromise proposal, comments	Row
		assistance specific objectives.	objectives, and of technical assistance specific objectives.	
3. Each programme shall set out:	[no change]	[no change]	Provisional common understanding [no change]	I - 94
(a) a summary of the main challenges, taking into account:	[no change]	[no change]	Provisional common understanding [no change]	I - 95
(i) economic, social and territorial disparities, except for programmes supported by the EMFF;	<u>Amendment 142</u> (i) economic, social and territorial disparities <b>as well as inequalities</b> , except for programmes supported by the EMFF;	[no change]	Provisional common understanding (i) economic, social and territorial disparities <b>as well as inequalities</b> , except for programmes supported by the EMFF;	I - 96
(ii) market failures, investment needs and complementarity with other forms of support;	<u>Amendment 143</u> (ii) market failures, investment needs and complementarity <b>and synergies</b> with other forms of support;	(ii) market failures; <sup>1</sup>	Provisional common understanding (ii) market failures; <sup>1</sup>	I - 97
	[no change]	(ii bis) investment needs and complementarity with other forms of support;	Provisional common understanding (ii bis) investment needs and complementarity <b>and synergies</b> with other forms of support;	I - 98
(iii) challenges identified in relevant country-specific recommendations and other relevant Union	<u>Amendment 144</u> (iii) challenges identified in <b>the</b>	(iii) challenges identified in relevant country-specific recommendations, <b>in relevant national or regional</b>	Provisional common understanding (iii) challenges identified in relevant	I - 99

<b>Commission proposal COM(2018)375</b>	<b>European Parliament position (EP amendments) (Plenary mandate 13/2/19)</b>	<b>Council position (Coreper mandate 19/12/18)</b>	<b>Compromise proposal, comments</b>	<b>Row</b>
recommendations addressed to the Member State;	relevant country-specific recommendations and other relevant Union recommendations addressed to the Member State;	<b>strategies of that Member State, and, for the AMIF, ISF and BMVI,</b> other relevant Union recommendations addressed to the Member State;	country-specific recommendations, <b>in relevant national or regional strategies of that Member State, including its National Energy and Climate Plan and in relation to the principles of the European Pillar of Social Rights,</b> and, for the AMIF, ISF and BMVI, other relevant Union recommendations addressed to the Member State;	
(iv) challenges in administrative capacity and governance;	<u>Amendment 145</u>  (iv) challenges in administrative capacity and governance <b>and simplification measures;</b>	<i>[no change]</i>	<i>Provisional common understanding</i>  (iv) challenges in administrative capacity and governance <b>and simplification measures;</b>	I - 100
	<u>Amendment 146</u>  <b>(iv a) an integrated approach to address demographic challenges, where relevant;</b>		<i>Provisional common understanding</i>  <b>(iv a) an integrated approach to address demographic challenges, where relevant;</b>	I - 101
(v) lessons learnt from past experience;	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding</i>  <i>[no change]</i>	I - 102
(vi) macro-regional strategies and sea-basin strategies where Member States and regions participate in such strategies;	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding</i>  <i>[no change]</i>	I - 103



Commission proposal COM(2018)375	European Parliament position (EP amendments) (Plenary mandate 13/2/19)	Council position (Coreper mandate 19/12/18)	Compromise proposal, comments	Row
	<u>Amendment 147</u>  <i>(vi a) challenges and related objectives identified within National Energy and Climate Plans and in the European Pillar of Social Rights;</i>		<i>Provisional common understanding</i>  EP amendment withdrawn. See row 99.	I - 104
(vii) for programmes supported by the AMIF, the ISF and the BMVI, progress in implementing the relevant Union <i>acquis</i> and action plans;	<u>Amendment 148</u>  (vii) for programmes supported by the AMIF, the ISF and the BMVI, progress in implementing the relevant Union <i>acquis</i> and action plans, <i>as well as identified shortcomings</i> ;	(vii) for programmes supported by the AMIF, the ISF and the BMVI, progress in implementing the relevant Union <i>acquis</i> and action plans <b>and a justification for the choice of specific objectives</b> ;	<i>Provisional common understanding</i>  (vii) for programmes supported by the AMIF, the ISF and the BMVI, progress in implementing the relevant Union <i>acquis</i> and action plans <b>and a justification for the choice of specific objectives</b> ;	I - 105
		<b>Points (i), (ii) and (vi) of paragraph 3(a) shall not apply to programmes supported by the AMIF, the ISF and the BMVI.</b>	<i>Provisional common understanding</i>  <b>Points (i), (ii) and (vi) of paragraph 3(a) shall not apply to programmes supported by the AMIF, the ISF and the BMVI.</b>	I - 106
(b) a justification for the selected policy objectives, corresponding priorities, specific objectives and the forms of support;	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding</i>  <i>[no change]</i>	I - 107
(c) for each priority, except for technical assistance, specific	<i>[no change]</i>	(c) for each priority, except for technical assistance, specific	<i>Provisional common understanding</i>	I - 108

Commission proposal COM(2018)375	European Parliament position (EP amendments) (Plenary mandate 13/2/19)	Council position (Coreper mandate 19/12/18)	Compromise proposal, comments	Row
objectives;		objectives, <b>the types of intervention and an indicative breakdown of the programmed resources by type of intervention or area of support</b> <sup>19</sup> ;	<i>[no change]</i>  <i>Comment: CONS AMD to be seen together with block 4 (when discussing eligibility issues of codes of intervention at specific objective level)</i>	
(d) for each specific objective:	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding</i>  <i>[no change]</i>	I - 109
(i) the related types of actions, including a list of planned operations of strategic importance, and their expected contribution to those specific objectives and to macro-regional strategies and sea-basin strategies, where appropriate;	<u>Amendment 149</u>  (i) the related types of actions, including a <b><i>an indicative</i></b> list <b><i>and timetable</i></b> of planned operations of strategic importance, and their expected contribution to those specific objectives and to macro-regional strategies and sea-basin strategies, where appropriate;	(i) the related types of actions, <del>including a list of planned operations of strategic importance</del> , and their expected contribution to those specific objectives and to macro-regional strategies and sea-basin strategies, where appropriate;	<i>Provisional common understanding</i>  (i) the related types of actions, <del>including a list of planned operations of strategic importance</del> , and their expected contribution to those specific objectives and to macro-regional strategies and sea-basin strategies, where appropriate;	I - 110
(ii) output indicators and result indicators with the corresponding milestones and targets;	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding</i>  <i>[no change]</i>	I - 111
(iii) the main target groups;	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding</i>	I - 112

<sup>19</sup> Council position: **N.B. The term “areas of support” is to be aligned throughout the text with the finally agreed nomenclature for the EMFF, in line with Annex II of the EMFF Regulation.**

Commission proposal COM(2018)375	European Parliament position (EP amendments) (Plenary mandate 13/2/19)	Council position (Coreper mandate 19/12/18)	Compromise proposal, comments	Row
			<i>[no change]</i>	
	<u>Amendment 150</u>  <i>(iii a) actions safeguarding equality, inclusion and non-discrimination;</i>		<i>Provisional common understanding</i>  <b>(iii a) actions safeguarding equality, inclusion and non-discrimination;</b>	I - 113
(iv) specific territories targeted, including the planned use of integrated territorial investment, community-led local development or other territorial tools;	<i>[no change]</i>	(iv) <b>indication of the</b> specific territories targeted, including the planned use of integrated territorial investment, community-led local development or other territorial tools;	<i>Provisional common understanding</i>  (iv) <b>indication of the</b> specific territories targeted, including the planned use of integrated territorial investment, community-led local development or other territorial tools;	I - 114
(v) the interregional and transnational actions with beneficiaries located in at least one other Member State;	<u>Amendment 151</u>  (v) the interregional, <b>cross-border</b> and transnational actions with beneficiaries located in at least one other Member State;	(v) the interregional and transnational actions with beneficiaries located in at least one other Member State <b>or outside the Union, where relevant;</b>	<i>Provisional common understanding</i>  (v) the interregional, <b>cross-border</b> and transnational actions with beneficiaries located in at least one other Member State <b>or outside the Union, where relevant;</b>	I - 115
	<u>Amendment 152</u>  <i>(va ) sustainability of investments;</i>		<i>Provisional common understanding</i>  <i>EP AMD withdrawn</i>	I - 116
(vi) the planned use of financial instruments;	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding</i>  <i>[no change]</i>	I - 117

<b>Commission proposal COM(2018)375</b>	<b>European Parliament position (EP amendments) (Plenary mandate 13/2/19)</b>	<b>Council position (Coreper mandate 19/12/18)</b>	<b>Compromise proposal, comments</b>	<b>Row</b>
		<p><b>(e) the planned use of technical assistance pursuant to Article 32 if applicable, and relevant types of intervention;</b></p> <p><b>(e bis) for each priority on technical assistance implemented pursuant to Article 30(4):</b></p> <p><b>(i) the related types of actions;</b></p> <p><b>(ii) output indicators with the corresponding milestones and targets;</b></p> <p><b>(iii) the main target groups;</b></p> <p><b>(iv) the types of intervention and an indicative breakdown of the programmed resources by type of intervention or area of support;</b></p>	<p><i>Provisional common understanding</i></p> <p><b>(e) the planned use of technical assistance pursuant to Article 32 if applicable, and relevant types of intervention;</b></p> <p><b>(e bis) for each priority on technical assistance implemented pursuant to Article 30(4):</b></p> <p><b>(i) the related types of actions;</b></p> <p><b>(ii) output indicators with the corresponding milestones and targets;</b></p> <p><b>(iii) the main target groups;</b></p> <p><b>(iv) the types of intervention and an indicative breakdown of the programmed resources by type of intervention or area of support;</b></p>	I - 118
(vii) the types of intervention and an indicative breakdown of the programmed resources by type of intervention or area of support;	<i>[no change]</i>	<del>(vii) the types of intervention and an indicative breakdown of the programmed resources by type of intervention or area of support;</del>	<p><i>Provisional common understanding</i></p> <p><i>[no change]</i></p> <p><i>Comment: To be seen together with block 4 (when discussing eligibility issues of codes of intervention at specific objective level)</i></p>	I - 119

Commission proposal COM(2018)375	European Parliament position (EP amendments) (Plenary mandate 13/2/19)	Council position (Coreper mandate 19/12/18)	Compromise proposal, comments	Row
	<u>Amendment 153</u>  (vii a) a description of how complementarities and synergies with other Funds and instruments are to be pursued;		Provisional common understanding  EP AMD withdrawn	I - 120
(e) the planned use of technical assistance in accordance with Articles 30 to 32 and relevant types of intervention;	[no change]	<del>(e) the planned use of technical assistance in accordance with Articles 30 to 32 and relevant types of intervention;</del>	Provisional common understanding  <del>(e) the planned use of technical assistance in accordance with Articles 30 to 32 and relevant types of intervention;</del>	I - 121
(f) a financing plan containing:	[no change]	[no change]	Provisional common understanding  [no change]	I - 122
(i) a table specifying the total financial allocations for each of the Funds and for each category of region for the whole programming period and by year, including any amounts transferred pursuant to Article 21;	[no change]	(i) a table specifying the total financial allocations for each of the Funds and for each category of region, <b>where applicable</b> , for the whole programming period and by year, including any amounts transferred pursuant to Article 21;	Provisional common understanding  (i) a table specifying the total financial allocations for each of the Funds, <b>and where applicable, for each category of region</b> , for the whole programming period and by year, including any amounts transferred pursuant to Article 21;	I - 123
(ii) a table specifying the total financial allocations for each priority by Fund and by category of region and the national contribution and	[no change]	(ii) <b>for programmes supported by ERDF, ESF+ and the Cohesion Fund</b> , a table specifying the total financial allocations for each priority	Provisional common understanding  <b>(ii) for programmes supported by ERDF, ESF+ and the Cohesion Fund,</b>	I - 124

<b>Commission proposal COM(2018)375</b>	<b>European Parliament position (EP amendments) (Plenary mandate 13/2/19)</b>	<b>Council position (Coreper mandate 19/12/18)</b>	<b>Compromise proposal, comments</b>	<b>Row</b>
whether it is made up of public and private contribution;		by Fund and by category of region and the national contribution and whether it is made up of public and private contribution;	a table specifying the total financial allocations for each priority by Fund and by category of region and the national contribution and whether it is made up of public and private contribution;	
(iii) for programmes supported by the EMFF, a table specifying for each type of area of support, the amount of the total financial allocations of the support from the Fund and the national contribution;	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding</i>  <i>[no change]</i>	I - 125
(iv) for programmes supported by the AMIF, the ISF and the BMVI, a table specifying, by specific objective, the total financial allocations by type of action, the national contribution and whether it is made up of public and private contribution;	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding</i>  <i>[no change]</i>	I - 126
(g) the actions taken to involve the relevant partners referred to in Article 6 in the preparation of the programme, and the role of those partners in the implementation, monitoring and evaluation of the programme;	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding</i>  <i>[no change]</i>	I - 127

Commission proposal COM(2018)375	European Parliament position (EP amendments) (Plenary mandate 13/2/19)	Council position (Coreper mandate 19/12/18)	Compromise proposal, comments	Row
(h) for each enabling condition, established in accordance with Article 11, Annex III and Annex IV, an assessment of whether the enabling condition is fulfilled at the date of submission of the programme;	[no change]	(h) for each enabling condition <b>linked to the selected specific objective</b> , established in accordance with Article 11, Annex III and Annex IV, an assessment of whether the enabling condition is fulfilled at the date of submission of the programme;	<i>Provisional common understanding</i>  (h) for each enabling condition <b>linked to the selected specific objective</b> , established in accordance with Article 11, Annex III and Annex IV, an assessment of whether the enabling condition is fulfilled at the date of submission of the programme;	I - 128
(i) the envisaged approach to communication and visibility for the programme through defining its objectives, target audiences, communication channels, social media outreach, planned budget and relevant indicators for monitoring and evaluation;	<u>Amendment 154</u>  (i) the envisaged approach to communication and visibility for the programme through defining its objectives, target audiences, communication channels, <b>where appropriate</b> social media outreach, <b>as well as</b> planned budget and relevant indicators for monitoring and evaluation;	(i) the envisaged approach to communication and visibility for the programme through defining its objectives, target audiences, communication channels, <del>social media outreach</del> , planned budget and relevant indicators for monitoring and evaluation;	<i>Provisional common understanding</i>  (i) the envisaged approach to communication and visibility for the programme through defining its objectives, target audiences, communication channels, <b>including</b> social media outreach, <b>where appropriate</b> , planned budget and relevant indicators for monitoring and evaluation;	I - 129
(j) the managing authority, the audit authority and the body which receives payments from the Commission.	<u>Amendment 155</u>  (j) the managing authority, the audit authority, <b>the body responsible for the accounting function under Article 70</b> , and the body which receives payments from the Commission.	(j) the <del>managing authority, the audit authority</del> <b>programme authorities</b> and the body <b>or in case of technical assistance pursuant to Article 30(5), where applicable bodies</b> which <del>receives</del> receive payments from the Commission.	<i>Provisional common understanding</i>  (j) the <del>managing authority, the audit authority</del> <b>programme authorities</b> and the body <b>or in case of technical assistance pursuant to Article 30(5), where applicable bodies</b> which <del>receives</del> receive payments from the Commission.	I - 130

Commission proposal COM(2018)375	European Parliament position (EP amendments) (Plenary mandate 13/2/19)	Council position (Coreper mandate 19/12/18)	Compromise proposal, comments	Row
Points (c) and (d) of this paragraph shall not apply to the specific objective set out in Article [4(c)(vii)] of the ESF+Regulation.	<u>Amendment 156</u>  Points (c) and (d) of this paragraph shall not apply to the specific objective set out in Article [ <del>4(e)(vii)]</del> [4(1)(xi)] of the ESF+Regulation.	<del>Points (e) and</del> Point (d) of this paragraph shall not apply to the specific objective set out in Article [4(e)(vii)](xi)] of the ESF+Regulation.	<i>Provisional common understanding</i>  <b>Points (a) (i), (ii) and (vi) of this paragraph shall not apply to programmes limited to supporting the specific objective set out in Article 4(1)(xi) of the ESF+ Regulation. Points (e) and</b> Point (d) of this paragraph shall not apply to the specific objective set out in Article [4(e)(vii)](xi)] of the ESF+Regulation.	I - 131
		<b>When submitting the programme for the ERDF, the Cohesion Fund, the ESF+ and the EMFF, this shall be accompanied by a list of planned operations of strategic importance, for information purposes.</b>	<i>Provisional common understanding</i>  <b>When submitting the programme for the ERDF, the Cohesion Fund, the ESF+ and the EMFF, this shall be accompanied for information purposes by a list of planned operations of strategic importance, with a timetable.</b>	I - 132
		<b>If, in accordance with point (j), more than one body is identified, the Member State shall set out the share of the reimbursed amounts between those bodies.</b>	Provisional common understanding  “If, in accordance with point (j), <b>more than one body is identified to receive payments from the Commission</b> , the Member State shall set out the share of the reimbursed amounts between those bodies.”	I - 132A
		<b>Where a Partnership Agreement is</b>	<i>Provisional common understanding</i>	I - 132B



Commission proposal COM(2018)375	European Parliament position (EP amendments) (Plenary mandate 13/2/19)	Council position (Coreper mandate 19/12/18)	Compromise proposal, comments	Row
		not prepared, the programme shall also include the information set out in points (ii) and (iii) of Article 8(1)(b).	CONS AMD withdrawn	
	<u>Amendment 157</u>  <i>An environmental report containing relevant information on the effects on the environment in accordance with Directive 2001/42/EC shall be annexed to the programme, taking into account climate change mitigation needs.</i>		<i>Provisional common understanding</i>  <i>AMD withdrawn, covered by line I-88 bis</i>	I - 133
4. By way of derogation from point (d) of paragraph 3, for each specific objective of programmes supported by the AMIF, the ISF and the BMVI the following shall be provided:	[no change]	4. By way of derogation from point <b>(b) to</b> (d) of paragraph 3, for each specific objective of programmes supported by the AMIF, the ISF and the BMVI the following shall be provided:	<i>Provisional common understanding</i>  4. By way of derogation from point <b>(b) to</b> (d) of paragraph 3, for each specific objective of programmes supported by the AMIF, the ISF and the BMVI the following shall be provided:	I - 134
(a) a description of the initial situation, challenges and responses supported by the Fund;	[no change]	[no change]	<i>Provisional common understanding</i>  [i no change]	I - 135
(b) indication of the operational objectives;	[no change]	(b) indication of the <del>operational</del> <b>objectives implementation measures;</b>	<i>Provisional common understanding</i>  (b) indication of the <del>operational</del> <b>objectives implementation measures;</b>	I - 136

Commission proposal COM(2018)375	European Parliament position (EP amendments) (Plenary mandate 13/2/19)	Council position (Coreper mandate 19/12/18)	Compromise proposal, comments	Row
(c) an indicative list of actions and their expected contribution to the specific and operational objectives;	[no change]	(c) an indicative list of actions and their expected contribution to the specific and operational objectives;	Provisional common understanding  (c) an indicative list of actions and their expected contribution to the specific and operational objectives;	I - 137
(d) where applicable, a justification for the operating support, specific actions, emergency assistance, and actions as referred to in Articles [16 and 17] of the AMIF regulation;	[no change]	[no change]	Provisional common understanding  [no change]	I - 138
(e) output and result indicators with the corresponding milestones and targets;	[no change]	[no change]	Provisional common understanding  [no change]	I - 139
(f) an indicative breakdown of the programmed resources by type of intervention.	[no change]	[no change]	Provisional common understanding  [no change]	I - 140
5. Types of intervention shall be based on a nomenclature set out in Annex I. For programmes supported by the AMIF, the ISF and the BMVI, types of intervention shall be based on a nomenclature set out in the Fund-specific Regulations.	[no change]	5. Types of intervention shall be based on a nomenclature set out in Annex I. For programmes supported by the <b>EMFF</b> , AMIF, the ISF and the BMVI, types of intervention shall be based on a nomenclature set out in the Fund-specific Regulations.	Provisional common understanding  5. Types of intervention shall be based on a nomenclature set out in Annex I. For programmes supported by the <b>EMFF</b> , AMIF, the ISF and the BMVI, types of intervention shall be based on a nomenclature set out in the Fund-specific Regulations.	I - 141
6. For ERDF, ESF+ and Cohesion Fund programmes submitted in	<u>Amendment 158</u>	<del>6. For ERDF, ESF+ and Cohesion Fund programmes submitted in</del>	Provisional common understanding	I - 142

Commission proposal COM(2018)375	European Parliament position (EP amendments) (Plenary mandate 13/2/19)	Council position (Coreper mandate 19/12/18)	Compromise proposal, comments	Row
accordance with Article 16, the table referred to in paragraph (3)(f)(ii) shall include the amounts for the years 2021 to 2025 only.	6. For ERDF, ESF+ and Cohesion Fund programmes submitted in accordance with Article 16, the table referred to in paragraph (3)(f)(ii) shall include the amounts for the years 2021 to <b>2027 2025 only</b> .	<del>accordance with Article 16, the table referred to in paragraph (3)(f)(ii) shall include the amounts for the years 2021 to 2025 only.</del>	6. For ERDF, ESF+ and Cohesion Fund programmes submitted in accordance with Article 16, the table referred to in paragraph (3)(f)(ii) shall include the amounts for the years 2021 to <del>2027 2025 only</del> ; <b>including the flexibility amount.</b>	
7. The Member State shall communicate to the Commission any changes in the information referred to in paragraph (3)(j) without requiring a programme amendment.	[no change]	[no change]	Provisional common understanding  [no change]	I - 143
Article 18 Approval of programmes	[no change]	[no change]	Provisional common understanding  [no change]	I - 144
1. The Commission shall assess the programme and its compliance with this Regulation and with the Fund-specific Regulations, as well as its consistency with the Partnership Agreement. In its assessment, the Commission shall, in particular, take into account relevant country-specific recommendations.	<u>Amendment 160</u> <sup>20</sup>  1. The Commission shall assess the programme and its compliance with this Regulation and with the Fund-specific Regulations, as well as its consistency with the Partnership Agreement. In its assessment, the Commission shall, in particular, take into account relevant country-specific	1. The Commission shall assess the programme and its compliance with this Regulation and with the Fund-specific Regulations, as well as its consistency with the <b>relevant</b> Partnership Agreement- <b>or with the relevant comprehensive set of information referred to in Article 8(2)</b> . In its assessment, the Commission shall, in particular, take	Provisional common understanding  1. The Commission shall assess the programme and its compliance with this Regulation and with the Fund-specific Regulations, as well as, <b>for the ERDF, ESF+, Cohesion Fund and EMFF</b> , its consistency with the <b>relevant</b> Partnership Agreement. In its assessment, the Commission shall, in	I - 145

<sup>20</sup> EP position: The second sentence of recital (13) is amended as follows: (13) (...) During the 2021–2027 programming period ('programming period'), Member States should regularly present to the monitoring committee and to the Commission the progress in implementing the programmes in support of the CSRs, **as well as of the European Pillar of Social Rights**. (...)

Commission proposal COM(2018)375	European Parliament position (EP amendments) (Plenary mandate 13/2/19)	Council position (Coreper mandate 19/12/18)	Compromise proposal, comments	Row
	recommendations, <i>as well as relevant challenges identified in the implementation of the Integrated National Energy and Climate Plans and in the European Pillar of Social Rights and the way they are addressed.</i>	into account <b>how</b> relevant country-specific recommendations <b>have been addressed.</b>	particular, take into account relevant country-specific recommendations, <i>relevant challenges identified in the National Energy and Climate Plan, and the principles of the European Pillar of Social Rights, and the way they are addressed.</i>	
2. The Commission may make observations within three months of the date of submission of the programme by the Member State.	<u>Amendment 161</u>  2. The Commission may make observations within <del>three</del> <b>two</b> months of the date of submission of the programme by the Member State.	[no change]	Provisional common understanding  [no change]	I - 146
3. The Member State shall review the programme taking into account the observations made by the Commission.	<u>Amendment 162</u>  3. The Member State shall review the programme taking into account the observations made by the Commission <i>within two months of their submission.</i>	[no change]	Provisional common understanding  3. The Member State shall review the programme taking into account the observations made by the Commission.	I - 147
4. The Commission shall adopt a decision by means of an implementing act approving the programme no later than six months after the date of submission of the programme by the Member State.	<u>Amendment 163</u>  4. The Commission shall adopt a decision by means of an implementing act approving the programme no later than <del>six</del> <b>five</b> months after the date of <i>the first</i> submission of the programme by the Member State.	[no change]	Provisional common understanding  4. The Commission shall adopt a decision by means of an implementing act approving the programme no later than <del>six</del> <b>five</b> months after the date of <i>the first</i> submission of the programme by the Member State.	I - 148

Commission proposal COM(2018)375	European Parliament position (EP amendments) (Plenary mandate 13/2/19)	Council position (Coreper mandate 19/12/18)	Compromise proposal, comments	Row
<i>Article 19 Amendment of programmes</i>	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding [no change]</i>	I - 149
1. The Member State may submit a motivated request for an amendment of a programme together with the amended programme setting out the expected impact of that amendment on the achievement of the objectives.	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding [no change]</i>	I - 150
2. The Commission shall assess the amendment and its compliance with this Regulation and with the Fund-specific Regulations, including requirements at national level, and may make observations within three months of the submission of the amended programme.	<u>Amendment 164</u>  2. The Commission shall assess the amendment and its compliance with this Regulation and with the Fund-specific Regulations, including requirements at national level, and may make observations within <del>three</del> <b>two</b> months of the submission of the amended programme.	2. The Commission shall assess the amendment and its compliance with this Regulation and with the Fund-specific Regulations, including requirements at national level, and may make observations within <del>three</del> <b>two</b> months of the submission of the amended programme.	<i>Provisional common understanding</i>  2. The Commission shall assess the amendment and its compliance with this Regulation and with the Fund-specific Regulations, including requirements at national level, and may make observations within <del>three</del> <b>two</b> months of the submission of the amended programme.	I - 151
3. The Member State shall review the amended programme and take into account the observations made by the Commission.	<u>Amendment 165</u>  3. The Member State shall review the amended programme and take into account the observations made by the Commission <b><i>within two months of their submission.</i></b>	<i>[no change]</i>	<i>Provisional common understanding</i>  3. The Member State shall review the amended programme and take into account the observations made by the Commission.	I - 152
4. The Commission shall approve	<u>Amendment 166</u>	4. The Commission shall approve	<i>Provisional common understanding</i>	I - 153

Commission proposal COM(2018)375	European Parliament position (EP amendments) (Plenary mandate 13/2/19)	Council position (Coreper mandate 19/12/18)	Compromise proposal, comments	Row
the amendment of a programme no later than six months after its submission by the Member State.	4. The Commission shall approve the amendment of a programme no later than <del>six</del> <b>three</b> months after its submission by the Member State.	the amendment of a programme no later than <del>six</del> <b>four</b> months after its submission by the Member State.	4. The Commission shall approve the amendment of a programme no later than <del>six</del> <b>four</b> months after its submission by the Member State.	
5. The Member State may transfer during the programming period an amount of up to 5 % of the initial allocation of a priority and no more than 3 % of the programme budget to another priority of the same Fund of the same programme. For the programmes supported by the ERDF and ESF+, the transfer shall only concern allocations for the same category of region.	<u>Amendment 167</u>  The Member State may transfer during the programming period an amount of up to <del>5</del> <b>7</b> % of the initial allocation of a priority and no more than <del>3</del> <b>5</b> % of the programme budget to another priority of the same Fund of the same programme. <b><i>In doing so the Member State shall respect the code of conduct established by the Commission Delegated Regulation (EU) No 240/2014.</i></b> For the programmes supported by the ERDF and ESF+, the transfer shall only concern allocations for the same category of region.	<b>5. For the programmes supported by the ERDF, Cohesion Fund and ESF+,</b> the Member State may transfer during the programming period an amount of up to <del>5</del> <b>8</b> %, of the initial allocation of a priority and no more than <del>3</del> <b>4</b> % of the programme budget to another priority of the same Fund of the same programme. For the programmes supported by the ERDF and ESF+, the transfer shall only concern allocations for the same category of region.	<i>Provisional common understanding</i>  <b>5. For the programmes supported by the ERDF, Cohesion Fund and ESF+,</b> the Member State may transfer during the programming period an amount of up to <del>5</del> <b>8</b> %, of the initial allocation of a priority and no more than <del>3</del> <b>4</b> % of the programme budget to another priority of the same Fund of the same programme. For the programmes supported by the ERDF and ESF+, the transfer shall only concern allocations for the same category of region.	I - 154
		<b>For the programmes supported by the EMFF, the Member State may transfer during the programming period an amount of up to 10% of the initial allocation of a Union priority to another Union priority;</b>	Provisional common understanding  <b>For the programmes supported by the EMFF, the Member State may transfer during the programming period an amount of up to 8% of the initial allocation of a Union priority to another Union priority;</b>	I - 155

Commission proposal COM(2018)375	European Parliament position (EP amendments) (Plenary mandate 13/2/19)	Council position (Coreper mandate 19/12/18)	Compromise proposal, comments	Row
		<b>For the programmes supported by the AMIF, the ISF and the BMVI, the Member State may transfer during the programming period allocations between types of actions within the same specific objective and, in addition, an amount of up to 15% of the initial allocation of a priority to another priority of the same Fund.</b>	<i>Provisional common understanding</i>  <b>For the programmes supported by the AMIF, the ISF and the BMVI, the Member State may transfer during the programming period allocations between types of actions within the same specific objective and, in addition, an amount of up to 15% of the initial allocation of a priority to another priority of the same Fund.</b>	I - 156
Such transfers shall not affect previous years. They shall be considered to be not substantial and shall not require a decision of the Commission amending the programme. They shall however, comply with all regulatory requirements. The Member State shall submit to the Commission the revised table referred to under points (f)(ii), (f)(iii) or (f)(iv) of Article 17(3) as applicable.	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding</i>  Such transfers shall not affect previous years. They shall be considered to be not substantial and shall not require a decision of the Commission amending the programme. They shall however, comply with all regulatory requirements <b>and shall be approved by the monitoring committee in advance.</b> The Member State shall submit to the Commission the revised table referred to under points (f)(ii), (f)(iii) or (f)(iv) of Article 17(3) as applicable.	I - 157
6. The approval of the Commission shall not be required for corrections of a purely clerical or editorial nature	<u>Amendment 168</u>  6. The approval of the	<i>[no change]</i>	<i>Provisional common understanding</i>  <i>[no change]</i>	I - 158



Commission proposal COM(2018)375	European Parliament position (EP amendments) (Plenary mandate 13/2/19)	Council position (Coreper mandate 19/12/18)	Compromise proposal, comments	Row
that do not affect the implementation of the programme. Member States shall inform the Commission of such corrections.	Commission shall not be required for corrections of a purely clerical, <b>technical</b> or editorial nature that do not affect the implementation of the programme. Member States shall inform the Commission of such corrections.			
7. For programmes supported by the EMFF, amendments to the programmes relating to the introduction of indicators shall not require the approval of the Commission.	[no change]	[no change]	Provisional common understanding  [no change]	I - 159
Article 20 Joint support from the ERDF, the ESF+ and the Cohesion Fund	[no change]	[no change]	Provisional common understanding  [no change]	I - 160
1. The ERDF, the ESF+ and the Cohesion Fund may jointly provide support for programmes under the Investment for jobs and growth goal.	[no change]	[no change]	Provisional common understanding  [no change]	I - 161
2. The ERDF and the ESF+ may finance, in a complementary manner and subject to a limit of 10 % of support from those Funds for each priority of a programme, all or part of an operation for which the costs are eligible for support from the other Fund on the basis of eligibility rules	<u>Amendment 169</u>  2. The ERDF and the ESF+ may finance, in a complementary manner and subject to a limit of <del>10%</del> <b>15</b> % of support from those Funds for each priority of a programme, all or part of an operation for which the costs are	[no change]	Provisional common understanding  2. The ERDF and the ESF+ may finance, in a complementary manner and subject to a limit of <del>10%</del> <b>15%</b> of support from those Funds for each priority of a programme, all or part of an operation for which the costs are	I - 162



Commission proposal COM(2018)375	European Parliament position (EP amendments) (Plenary mandate 13/2/19)	Council position (Coreper mandate 19/12/18)	Compromise proposal, comments	Row
applied to that Fund, provided that such costs are necessary for the implementation.	eligible for support from the other Fund on the basis of eligibility rules applied to that Fund, provided that such costs are necessary for the implementation.		eligible for support from the other Fund on the basis of eligibility rules applied to that Fund, provided that such costs are necessary for the implementation.  Comment: Commission noted their opposition to this compromise.	
Article 21 Transfer of resources	[no change]	[no change]	[provisional common understanding on the Title only]  [no change]	I - 163
1. Member States may request the transfer of up to 5 % of programme financial allocations from any of the Funds to any other Fund under shared management or to any instrument under direct or indirect management.	Amendment 170  1. <b><i>For the purpose of ensuring flexibility,</i></b> Member States may request, <b><i>if agreed by the monitoring committee of the programme,</i></b> the transfer of up to 5% of programme financial allocations from any of the Funds to <b><i>the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, or the European Maritime and Fisheries Fund</i></b> <del>any other Fund under shared management or to any instrument under direct or indirect management.</del>	1. Member States may request the transfer of up to [5 %] of programme financial allocations from any of the Funds to any other Fund under shared management or to any instrument under direct or indirect management.		I - 164
2. Transferred resources shall be implemented in accordance with the rules of the Fund or the instrument to	Amendments 171 and 434  2. Transferred resources shall be	[no change]		I - 165

Commission proposal COM(2018)375	European Parliament position (EP amendments) (Plenary mandate 13/2/19)	Council position (Coreper mandate 19/12/18)	Compromise proposal, comments	Row
which the resources are transferred and, in the case of transfers to instruments under direct or indirect management, for the benefit of the Member State concerned.	implemented in accordance with the rules of the Fund or the instrument to which the resources are transferred <del>and, in the case of transfers to instruments under direct or indirect management, for the benefit of the Member State concerned.</del>			
3. Requests under paragraph 1 shall set out the total amount transferred for each year by Fund and by category of region, where relevant, shall be duly justified and shall be accompanied by the revised programme or programmes, from which the resources are to be transferred in accordance with Article 19 indicating to which other Fund or instrument the amounts are transferred.	<u>Amendments 172, 433 and 434</u>  3. Requests under paragraph 1 shall set out the total amount transferred for each year by Fund and by category of region, where relevant, shall be duly justified <b><i>with a view to the complementarities and impact to be achieved</i></b> , and shall be accompanied by the revised programme or programmes, from which the resources are to be transferred in accordance with Article 19 indicating to which other Fund or instrument the amounts are transferred.	[no change]		I - 166
4. The Commission may object to a request for transfer in the related programme amendment where this would undermine the achievement of the objectives of the programme from	[no change]	4. <b>After consultation with the Member State concerned</b> , the Commission may object to a request for transfer in the related programme amendment where this would		I - 167

Commission proposal COM(2018)375	European Parliament position (EP amendments) (Plenary mandate 13/2/19)	Council position (Coreper mandate 19/12/18)	Compromise proposal, comments	Row
which the resources are to be transferred.		undermine the achievement of the objectives of the programme from which the resources are to be transferred.		
5. Only resources of future calendar years may be transferred.	[no change]	[no change]		I - 168
	<u>Amendment 173</u> <sup>21</sup> <b>CHAPTER I a - Major projects</b>		<i>Provisional common understanding</i> [EP amendment withdrawn]	I - 169
	<u>Amendment 174</u> <b>Article 21 a (new)</b> <b>Content</b>  <i>As part of a programme or programmes, the ERDF and the Cohesion Fund may support an operation comprising a series of works, activities or services intended</i>		<i>Provisional common understanding</i> [EP amendment withdrawn]	I - 170

<sup>21</sup> **EP position:** The following new recital is to be added: (22a) *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. It is therefore justified that operations above certain thresholds continue to be subject to specific approval procedures under this Regulation. The threshold should be established in relation to total eligible cost after taking account of expected net revenues. To ensure clarity, it is appropriate to define the content of a major project application for such a purpose. The application should contain the necessary information to provide assurance that the financial contribution from the Funds does not result in a substantial loss of jobs in existing locations within the Union. The Member State should submit all required information and the Commission should appraise the major project to determine whether the requested financial contribution is justified.*

Commission proposal COM(2018)375	European Parliament position (EP amendments) (Plenary mandate 13/2/19)	Council position (Coreper mandate 19/12/18)	Compromise proposal, comments	Row
	<i>in itself to accomplish an indivisible task of a precise economic or technical nature which has clearly identified goals and for which the total eligible cost exceeds EUR 100 000 000 (the 'major project'). Financial instruments shall not be considered to be major projects.</i>			
	<u>Amendment 175</u>  <i>Article 21 b (new)</i>  <i>Information necessary for the approval of a major project</i>  <i>Before a major project is approved, the managing authority shall submit to the Commission the following information:</i>  <i>(a) details concerning the body to be responsible for implementation of the major project, and its capacity;</i>  <i>(b) a description of the investment and its location;</i>  <i>(c) the total cost and total eligible cost;</i>  <i>(d) feasibility studies carried out, including the options analysis, and</i>		<i>Provisional common understanding</i>  <i>[EP amendment withdrawn]</i>	I - 171

Commission proposal COM(2018)375	European Parliament position (EP amendments) (Plenary mandate 13/2/19)	Council position (Coreper mandate 19/12/18)	Compromise proposal, comments	Row
	<p><i>the results;</i></p> <p><i>(e) a cost-benefit analysis, including an economic and a financial analysis, and a risk assessment;</i></p> <p><i>(f) an analysis of the environmental impact, taking into account climate change adaptation and mitigation needs, and disaster resilience;</i></p> <p><i>(g) an explanation as to how the major project is consistent with the relevant priorities of the programme or programmes concerned, and its expected contribution to achieving the specific objectives of those priorities and the expected contribution to socio-economic development;</i></p> <p><i>(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></p> <p><i>(i) the timetable for implementing the major project and, where the implementation period is expected to</i></p>			

Commission proposal COM(2018)375	European Parliament position (EP amendments) (Plenary mandate 13/2/19)	Council position (Coreper mandate 19/12/18)	Compromise proposal, comments	Row
	<i>be longer than the programming period, the phases for which support from the Funds is requested during the programming period.</i>			
	<p><u>Amendment 176</u></p> <p><b>Article 21 c (new)</b></p> <p><i>Decision on a major project</i></p> <p><i>1. The Commission shall appraise the major project on the basis of the information referred to in Article 21b in order to determine whether the requested financial contribution for the major project selected by the managing authority is justified. The Commission shall adopt a decision on the approval of the financial contribution to the selected major project, by means of an implementing act, no later than three months after the date of submission of the information referred to in Article 21b.</i></p>		<p><i>Provisional common understanding</i></p> <p><i>[EP amendment withdrawn]</i></p>	I - 172
	<p><i>2. The approval by the Commission under paragraph 1 shall be conditional on the first works contract being concluded, or, in the case of operations implemented under PPP structures, on the</i></p>		<p><i>Provisional common understanding</i></p> <p><i>[EP amendment withdrawn]</i></p>	I - 173

<b>Commission proposal COM(2018)375</b>	<b>European Parliament position (EP amendments) (Plenary mandate 13/2/19)</b>	<b>Council position (Coreper mandate 19/12/18)</b>	<b>Compromise proposal, comments</b>	<b>Row</b>
	<i>signing of the PPP agreement between the public body and the private sector body, within three years of the date of the approval.</i>			
	<i>3. Where the Commission does not approve the financial contribution to the selected major project, it shall give in its decision the reasons for its refusal.</i>		<i>Provisional common understanding [EP amendment withdrawn]</i>	I - 174
	<i>4. Major projects submitted for approval under paragraph 1 shall be contained in the list of major projects in a programme.</i>		<i>Provisional common understanding [EP amendment withdrawn]</i>	I - 175
	<i>5. Expenditure relating to a major project may be included in a payment application after the submission for approval referred to in paragraph 1. Where the Commission does not approve the major project selected by the managing authority, the declaration of expenditure following the withdrawal of the application by the Member State or the adoption of the Commission decision shall be rectified accordingly.</i>  (* This amendment will require consequential adjustments to Annex		<i>Provisional common understanding [EP amendment withdrawn]</i>	I - 176

Commission proposal COM(2018)375	European Parliament position (EP amendments) (Plenary mandate 13/2/19)	Council position (Coreper mandate 19/12/18)	Compromise proposal, comments	Row
	V.)			
CHAPTER II Territorial development	[no change]	[no change]	Provisional common understanding  [no change]	I - 177
Article 22 Integrated territorial development	[no change]	[no change]	Provisional common understanding  [no change]	I - 178
The Member State shall support integrated territorial development through territorial and local development strategies in any of the following forms:	[no change]	TheWhere a Member State shall support supports integrated territorial development, it shall do so through territorial and/or local development strategies in any of the following forms:	[provisional common understanding  TheWhere a Member State shall support supports integrated territorial development, it shall do so through territorial and/or local development strategies in any of the following forms:	I - 179
(a) integrated territorial investments;	[no change]	[no change]	Provisional common understanding  [no change]	I - 180
(b) community-led local development;	[no change]	[no change]	Provisional common understanding  [no change]	I - 181
(c) another territorial tool supporting initiatives designed by the Member State for investments programmed for the ERDF under the policy objective referred in Article 4(1)(e).	<u>Amendment 177</u>  (c) another territorial tool supporting initiatives designed by the Member State for investments programmed for the ERDF under the policy objective	(c) another territorial tool supporting initiatives designed by the Member State for investments programmed for the ERDF under the policy objective referred in Article 4(1)(e).	Provisional common understanding  (c) another territorial tool supporting initiatives designed by the Member State or investments programmed for the ERDF under the policy objective	I - 182



Commission proposal COM(2018)375	European Parliament position (EP amendments) (Plenary mandate 13/2/19)	Council position (Coreper mandate 19/12/18)	Compromise proposal, comments	Row
	referred in Article 4(1)(e).		referred in Article 4(1)(e).	
	<u>Amendment 178</u>  <i>The Member State shall ensure coherence and coordination when local development strategies are financed by more than one Fund.</i>		<i>Provisional common understanding</i>  <b>When implementing territorial or local development strategies under more than one Fund, the Member State shall ensure coherence and coordination among the Funds concerned.</b>	I - 183
<i>Article 23</i> <i>Territorial strategies</i>	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding</i>  <i>[no change]</i>	I - 184
1. Territorial strategies implemented pursuant to points (a) or (c) of Article 22 shall contain the following elements:	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding</i>  <i>[no change]</i>	I - 185
(a) the geographical area covered by the strategy;	<u>Amendment 179</u>  (a) the geographical area covered by the strategy <b>including economic, social and environmental interlinkages</b> ;	<i>[no change]</i>	<i>Provisional common understanding</i>  <i>[no change]</i>	I - 186
(b) an analysis of the development needs and the potential of the area;	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding</i>  b) an analysis of the development needs and the potential of the area, <b>including economic, social and environmental</b>	I - 187

Commission proposal COM(2018)375	European Parliament position (EP amendments) (Plenary mandate 13/2/19)	Council position (Coreper mandate 19/12/18)	Compromise proposal, comments	Row
			interlinkages;	
(c) a description of an integrated approach to address the identified development needs and the potential;	[no change]	(c) a description of an integrated approach to address the identified development needs and the potential <b>of the area</b> ;	Provisional common understanding  (c) a description of an integrated approach to address the identified development needs and the potential <b>of the area</b> ;	I - 188
(d) a description of the involvement of partners in accordance with Article 6 in the preparation and in the implementation of the strategy.	<u>Amendment 180</u>  d) a description of the involvement of partners <del>in accordance with</del> <b>under</b> Article 6 in the preparation and in the implementation of the strategy.	(d) a description of the involvement of partners in <del>accordance with Article 6</del> in the preparation and in the implementation of the strategy.	Provisional common understanding  [no change]	I - 189
They may also contain a list of operations to be supported.	[no change]	[no change]	Provisional common understanding  [no change]	I - 190
2. Territorial strategies shall be drawn up under the responsibility of the relevant urban, local or other territorial authorities or bodies.	<u>Amendment 181</u>  2. Territorial strategies shall be <del>drawn up</del> <b>prepared and endorsed</b> under the responsibility of the relevant <del>urban</del> <b>regional</b> , local or <del>and other territorial public</del> authorities or bodies. <b>Pre-existing strategic documents concerning the covered areas may be updated and used for territorial strategies.</b>	2. Territorial strategies shall be <del>drawn up</del> under the responsibility of the relevant urban, local or other territorial authorities or bodies.	Provisional common understanding  2. Territorial strategies shall be <del>drawn up</del> under the responsibility of the relevant <del>urban, local or other</del> territorial authorities or bodies. <b>Existing strategic documents concerning the covered areas may be used for territorial strategies.</b>	I - 191

Commission proposal COM(2018)375	European Parliament position (EP amendments) (Plenary mandate 13/2/19)	Council position (Coreper mandate 19/12/18)	Compromise proposal, comments	Row
3. Where the list of operations to be supported has not been included in the territorial strategy, the relevant urban, local or other territorial authorities or bodies shall select or shall be involved in the selection of operations.	<u>Amendment 182</u>  Where the list of operations to be supported has not been included in the territorial strategy, the relevant <del>urban</del> , <b>regional</b> , local or other territorial authorities or bodies shall select or shall be involved in the selection of operations.	[no change]	<i>Provisional common understanding</i>  3. Where the list of operations to be supported has not been included in the territorial strategy, the relevant <del>urban</del> , <del>local or other</del> territorial authorities or bodies shall select or shall be involved in the selection of operations.	I - 192
	<u>Amendment 183</u>  <b>3 a. When preparing territorial strategies, the authorities referred to in paragraph 2 shall cooperate with relevant managing authorities, in order to determine the scope of operations to be supported under the relevant programme.</b>		<i>Provisional common understanding</i>  <b>3 a. When preparing territorial strategies, the authorities referred to in paragraph 2 shall cooperate with relevant managing authorities, in order to determine the scope of operations to be supported under the relevant programme.</b>	I - 193
Selected operations shall comply with the territorial strategy.	[no change]	[no change]	<i>Provisional common understanding</i>  [no change]	I - 194
4. Where an urban, local or other territorial authority or body carries out tasks falling under the responsibility of the managing authority other than the selection of operations, the authority shall be identified by the managing authority as an intermediate body.	<u>Amendment 184</u>  4. Where <del>an urban</del> <b>a regional</b> , local or other <del>territorial</del> <b>public</b> authority or <b>other</b> body carries out tasks falling under the responsibility of the managing authority other than the selection of operations, the authority	[no change]	<i>Provisional common understanding</i>  4. Where <del>an urban, local or other</del> territorial authority or body carries out tasks falling under the responsibility of the managing authority other than the selection of operations, the authority shall be identified by the managing	I - 195

Commission proposal COM(2018)375	European Parliament position (EP amendments) (Plenary mandate 13/2/19)	Council position (Coreper mandate 19/12/18)	Compromise proposal, comments	Row
	shall be identified by the managing authority as an intermediate body.		authority as an intermediate body.	
	<u>Amendment 185</u>  <i>The selected operations may be supported under more than one priority of the same programme.</i>		<i>Provisional common understanding</i>  <i>Comment: EP amendment withdrawn.</i>	I - 196
5. Support may be provided for the preparation and design of territorial strategies.	[no change]	[no change]	<i>Provisional common understanding</i>  [no change]	I - 197
<i>Article 24</i> <i>Integrated territorial investment</i>	[no change]	[no change]	<i>Provisional common understanding</i>  [no change]	I - 198
1. Where a strategy implemented in accordance with Article 23 involves investments that receive support from one or more Funds, from more than one programme or from more than one priority of the same programme, actions may be carried out as an integrated territorial investment ('ITI').	<u>Amendment 186</u>  1. Where a strategy implemented in accordance with Article 23 involves investments that receive support from one or more Funds <b>than one Fund</b> , from more than one programme or from more than one priority of the same programme, actions may be carried out as an integrated territorial investment ('ITI'). <b>Where appropriate, each ITI may be complemented by financial support from the EAFRD.</b>	[no change]	<i>Provisional common understanding</i>  1. Where a strategy implemented in accordance with Article 23 involves investments that receive support from one or more Funds <b>than one Fund</b> , from more than one programme or from more than one priority of the same programme, actions may be carried out as an integrated territorial investment ('ITI'). <b>Where appropriate, each ITI may be complemented by financial support from the EAFRD.</b>	I - 199

Commission proposal COM(2018)375	European Parliament position (EP amendments) (Plenary mandate 13/2/19)	Council position (Coreper mandate 19/12/18)	Compromise proposal, comments	Row
2. The managing authority shall ensure that the electronic system for the programme or programmes provides for the identification of operations and outputs and results contributing to an ITI.	[no change]	<del>2. The managing authority shall ensure that the electronic system for the programme or programmes provides for the identification of operations and outputs and results contributing to an ITI.</del>	Provisional common understanding <del>2. The managing authority shall ensure that the electronic system for the programme or programmes provides for the identification of operations and outputs and results contributing to an ITI.</del>	I - 200
	<u>Amendment 187</u>  <b>2a. Where the list of operations to be supported has not been included in the territorial strategy, the relevant regional, local, other public authorities or bodies shall be involved in the selection of operations.</b>		Provisional common understanding  Comment: EP amendment withdrawn.	I - 201
Article 25 Community-led local development	[no change]	[no change]	Provisional common understanding  [no change]	I - 202
1. The ERDF, the ESF+ and the EMFF may support community-led local development.	<u>Amendment 188</u> <sup>22</sup>  1. The ERDF, the ESF+, and the EMFF <b>and the EAFRD</b> may shall	1. The ERDF, the ESF+ [, the <b>EAFRD as referred to in Regulation XX/XXXX]</b> and the EMFF may support community-led	To be considered under block 7.	I - 203

<sup>22</sup> EP position: Recital (23) is amended as follows: (23) To strengthen the integrated territorial development approach, investments in the form of territorial tools such as integrated territorial investments ('ITI'), community-led local development ('CLLD', **known as 'LEADER' under the EAFRD**), or any other territorial tool under policy objective "a Europe closer to citizens" supporting initiatives designed by the Member State for investments programmed for the ERDF should be based on territorial and local development strategies. **The same should apply to related initiatives such as the Smart Villages.** (...)

Commission proposal COM(2018)375	European Parliament position (EP amendments) (Plenary mandate 13/2/19)	Council position (Coreper mandate 19/12/18)	Compromise proposal, comments	Row
	support community-led local development. <i><b>In the context of the EAFRD, such development shall be designated as LEADER local development.</b></i>	local development.		
2. The Member State shall ensure that community-led local development is:	[no change]	[no change]	Provisional common understanding [no change]	I - 204
(a) focused on subregional areas;	[no change]	[no change]	Provisional common understanding [no change]	I - 205
(b) led by local action groups composed of representatives of public and private local socio-economic interests, in which no single interest group controls the decision-making;	<u>Amendment 189</u> (b) led by local action groups composed of representatives of public and private local socio-economic interests, in which no single interest group, <i><b>including the public sector,</b></i> controls the decision-making;	(b) led by local action groups composed of representatives of public and private local socio-economic interests, in which no single interest group <del>controls</del> <b>control</b> the decision-making;	Provisional common understanding [no change]	I - 206
(c) carried out through integrated strategies in accordance with Article 26;	[no change]	[no change]	Provisional common understanding [no change]	I - 207
(d) supportive of networking, innovative features in the local context and, where appropriate, cooperation with other territorial actors.	<u>Amendment 190</u> (d) supportive of networking, <i><b>bottom-up approaches, accessibility,</b></i> innovative features in the local context and, where appropriate,	[no change]	Provisional common understanding  d) supportive of networking, <b>accessibility</b> , innovative features in the local context and, where appropriate,	I - 208

Commission proposal COM(2018)375	European Parliament position (EP amendments) (Plenary mandate 13/2/19)	Council position (Coreper mandate 19/12/18)	Compromise proposal, comments	Row
	cooperation with other territorial actors.		cooperation with other territorial actors.	
3. Where support to strategies referred to in paragraph 2(c) is available from more than one Fund, the relevant managing authorities shall organise a joint call for selection of those strategies and establish a joint committee for all the Funds concerned to monitor the implementation of those strategies. The relevant managing authorities may choose one of the Funds concerned to support all preparatory, management and animation costs referred to in points (a) and (c) of Article 28(1) related to those strategies.	[no change]	[no change]	Provisional common understanding  [no change]	I - 209
4. Where the implementation of such a strategy involves support from more than one Fund, the relevant managing authorities may choose one of the Funds concerned as the Lead Fund.	<u>Amendment 191</u>  4. Where the implementation of such a strategy involves support from more than one Fund, the relevant managing authorities may choose one of the Funds concerned as the Lead Fund. <b><i>The type of measures and operations to be financed by each affected Fund may also be specified.</i></b>	[no change]	Provisional common understanding  [no change]	I - 210
5. The rules of the Lead Fund shall	[no change]	[no change]	Provisional common understanding	I - 211

<b>Commission proposal COM(2018)375</b>	<b>European Parliament position (EP amendments) (Plenary mandate 13/2/19)</b>	<b>Council position (Coreper mandate 19/12/18)</b>	<b>Compromise proposal, comments</b>	<b>Row</b>
apply to that strategy. The authorities of other funds shall rely on decisions and management verifications made by the competent Lead Fund authority.			<b>5. While respecting the scope and the eligibility rules of each fund involved in supporting the strategy, the</b> rules of the Lead Fund shall apply to that strategy. The authorities of other funds shall rely on decisions and management verifications made by the competent Lead Fund authority.	
6. The authorities of the Lead Fund shall provide the authorities of other Funds with information necessary to monitor and make payments in accordance with the rules set out in the Fund-specific Regulation.	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding</i>  <i>[no change]</i>	I - 212
		<b>7. Where the European Agricultural Fund for Rural Development (EAFRD) supports strategies referred to in paragraph 2(c) via LEADER, in accordance with Article [71] of Regulation [CAP Plan], paragraphs 3 to 6 shall also apply to the EAFRD and to the respective programme authorities.</b>	<i>Provisional common understanding</i>  <b>[7. Where the European Agricultural Fund for Rural Development (EAFRD) supports strategies referred to in paragraph 2(c) via LEADER, in accordance with Article [71] of Regulation [CAP Plan], paragraphs 3 to 6 shall also apply to the EAFRD and to the respective programme authorities.]</b>  <i>(bracketed subject to the outcome of discussions on block 7)</i>	I - 213
<i>Article 26</i>	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding</i>	I - 214



<b>Commission proposal COM(2018)375</b>	<b>European Parliament position (EP amendments) (Plenary mandate 13/2/19)</b>	<b>Council position (Coreper mandate 19/12/18)</b>	<b>Compromise proposal, comments</b>	<b>Row</b>
<i>Community-led local development strategies</i>			<i>[no change]</i>	
1. The relevant managing authorities shall ensure that each strategy referred to in Article 25(2)(c) sets out the following elements:	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding</i> <i>[no change]</i>	I - 215
(a) the geographical area and population covered by that strategy;	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding</i> <i>[no change]</i>	I - 216
(b) the community involvement process in the development of that strategy;	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding</i> <i>[no change]</i>	I - 217
(c) an analysis of the development needs and potential of the area;	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding</i> <i>[no change]</i>	I - 218
(d) the objectives of that strategy, including measurable targets for results, and related planned actions;	<u>Amendment 192</u>  (d) the objectives of that strategy, including measurable targets for results, and related planned actions <b><i>in response to local needs as identified by the local community</i></b> ;	<i>[no change]</i>	<i>Provisional common understanding</i> <i>[no change]</i>	I - 219
			<i>Provisional common understanding</i>  <b>(d) The type of measures and operations to be financed by each</b>	I – 219A

Commission proposal COM(2018)375	European Parliament position (EP amendments) (Plenary mandate 13/2/19)	Council position (Coreper mandate 19/12/18)	Compromise proposal, comments	Row
			affected Fund may also be specified;	
(e) the management, monitoring and evaluation arrangements, demonstrating the capacity of the local action group to implement that strategy;	[no change]	[no change]	Provisional common understanding  [no change]	I - 220
(f) a financial plan, including the planned allocation from each Fund and programme concerned.	<u>Amendment 193</u>  f) a financial plan, including the planned allocation from each Fund, <b>including where appropriate the EAFRD</b> , and <b>each</b> programme concerned.	[no change]	Provisional common understanding  f) a financial plan, including the planned allocation from each Fund, <b>including where appropriate the EAFRD</b> , and <b>each</b> programme concerned.	I - 221
2. The relevant managing authorities shall define criteria for the selection of those strategies, set up a committee to carry out this selection and approve the strategies selected by that committee.	[no change]	[no change]	Provisional common understanding  [no change]	I - 222
3. The relevant managing authorities shall complete the first round of selection of strategies and ensure the local action groups selected can fulfil their tasks set out in Article 27(3) within 12 months of the date of the approval of the relevant programme or, in the case of strategies supported by more than one	[no change]	3. The relevant managing authorities shall complete the first round of selection of strategies and ensure the local action groups selected can fulfil their tasks set out in Article 27(3) within 12 months of the date of the approval of the relevant programme or, in the case of strategies supported by more than one Fund, within <del>42</del> <b>18</b>	Provisional common understanding  3. The relevant managing authorities shall complete the first round of selection of strategies and ensure the local action groups selected can fulfil their tasks set out in Article 27(3) within 12 months of the date of the approval of the relevant programme or,	I - 223

Commission proposal COM(2018)375	European Parliament position (EP amendments) (Plenary mandate 13/2/19)	Council position (Coreper mandate 19/12/18)	Compromise proposal, comments	Row
Fund, within 12 months of the date of the approval of the last programme concerned.		months of the date of the approval of the last programme concerned.	in the case of strategies supported by more than one Fund, within 12 months of the date of the approval of the last programme concerned.	
4. The decision approving a strategy shall set out the allocation of each Fund and programme concerned and set out the responsibilities for the management and control tasks under the programme or programmes.	<u>Amendment 194</u>  4. The decision approving a strategy shall set out the allocation of each Fund and programme concerned and set out the responsibilities for the management and control tasks under the programme or programmes. <b>Corresponding national public contributions shall be guaranteed upfront for the whole period.</b>	[no change]	Provisional common understanding  [no change]	I - 224
Article 27 Local action groups	[no change]	[no change]	Provisional common understanding  [no change]	I - 225
1. Local action groups shall design and implement the strategies referred to in Article 25(2)(c).	[no change]	[no change]	Provisional common understanding  [no change]	I - 226
2. The 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 come together in a legally constituted common structure.	<u>Amendment 195</u>  2. The managing authorities shall ensure that the local action groups <b>are inclusive, and that they</b> either select one partner within the group as a lead partner in administrative and financial matters, or come together in	[no change]	Provisional common understanding  2. The managing authorities shall ensure that the local action groups <b>are inclusive, and that they</b> either select one partner within the group as a lead partner in administrative and financial matters, or come together in a legally	I - 227

Commission proposal COM(2018)375	European Parliament position (EP amendments) (Plenary mandate 13/2/19)	Council position (Coreper mandate 19/12/18)	Compromise proposal, comments	Row
	a legally constituted common structure, <b><i>in order to implement tasks relating to the community-led local development strategy.</i></b>		constituted common structure,	
3. The local action groups, exclusively, shall carry out all of the following tasks:	[no change]	[no change]	Provisional common understanding [no change]	I - 228
(a) building the capacity of local actors to develop and implement operations;	<u>Amendment 196</u>  (a) building the <b><i>administrative</i></b> capacity of local actors to develop and implement operations;	[no change]	Provisional common understanding [no change]	I - 229
(b) drawing up a non-discriminatory and transparent selection procedure and criteria, which avoids conflicts of interest and ensures that no single interest group controls selection decisions;	[no change]	[no change]	Provisional common understanding [no change]	I - 230
(c) preparing and publishing calls for proposals;	[no change]	[no change]	Provisional common understanding [no change]	I - 231
(d) selecting operations and fixing the amount of support and presenting the proposals to the body responsible for final verification of eligibility before approval;	[no change]	[no change]	Provisional common understanding [no change]	I - 232

Commission proposal COM(2018)375	European Parliament position (EP amendments) (Plenary mandate 13/2/19)	Council position (Coreper mandate 19/12/18)	Compromise proposal, comments	Row
(e) monitoring progress towards the achievement of objectives of the strategy;	[no change]	[no change]	Provisional common understanding  [no change]	I - 233
(f) evaluating the implementation of the strategy.	[no change]	[no change]	Provisional common understanding  [no change]	I - 234
4. Where local action groups carry out tasks not covered by paragraph 3 that fall under the responsibility of the managing authority or of the paying agency, those local action groups shall be identified by the managing authority as intermediate bodies in accordance with the Fund-specific rules.	[no change]	4. Where local action groups carry out tasks not covered by paragraph 3 that fall under the responsibility of the managing authority <del>or of the paying agency</del> , those local action groups shall be identified by the managing authority as intermediate bodies in accordance with the Fund-specific rules.	Comment: To be discussed under the EAFRD - Block 7	I - 235
5. The local action group may be a beneficiary and may implement operations in accordance with the strategy.	<u>Amendment 197</u>  5. The local action group may be a beneficiary and may implement operations in accordance with the strategy, <b>encouraging the separation of functions inside the local action group.</b>	[no change]	Provisional common understanding  5. The local action group may be a beneficiary and may implement operations in accordance with the strategy, <b>ensuring the principle of separation of functions is respected.</b>	I - 236
Article 28	[no change]	[no change]	Provisional common understanding	I - 237

Commission proposal COM(2018)375	European Parliament position (EP amendments) (Plenary mandate 13/2/19)	Council position (Coreper mandate 19/12/18)	Compromise proposal, comments	Row
<i>Support from Funds for community-led local development</i>			<i>[no change]</i>	
1. The Member State shall ensure that support from the Funds for community-led local development covers:	<u>Amendment 198</u>  1. <b><i>With a view to ensuring complementarities and synergies</i></b> , the Member State shall ensure that support from the Funds for community-led local development covers:	1. <del>The Member State shall ensure that</del> Support from the Funds for community-led local development <del>covers</del> shall cover:	<i>Provisional common understanding</i>  <i>[no change]</i>	I - 238
(a) capacity building and preparatory actions supporting the design and future implementation of the strategies;	<u>Amendment 199</u> <sup>23</sup>  (a) <b><i>administrative</i></b> capacity building and preparatory actions supporting the design and future implementation of the strategies;	<i>[no change]</i>	<i>Provisional common understanding</i>  <i>[no change]</i>	I - 239
(b) the implementation of operations, including cooperation activities and their preparation, selected under the local development strategy;	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding</i>  <i>[no change]</i>	I - 240
	<u>Amendment 200</u>  <b><i>(ba) animation of the community-led local development strategy in order</i></b>		<i>Provisional common understanding</i>  <i>Comment: EP amendment withdrawn.</i>	I - 241

<sup>23</sup> EP position: Recital (24) is amended as follows: (24) To better mobilise potential at the local level, it is necessary to strengthen and facilitate CLLD. It should take into account local needs and potential, as well as relevant socio-cultural characteristics, and should provide for structural changes, build community ***and administrative*** capacity and stimulate innovation. (...)

Commission proposal COM(2018)375	European Parliament position (EP amendments) (Plenary mandate 13/2/19)	Council position (Coreper mandate 19/12/18)	Compromise proposal, comments	Row
	<i>to facilitate exchange between stakeholders, to provide them with information and to support potential beneficiaries in their preparation of applications;</i>			
(c) the management, monitoring and evaluation of the strategy and its animation.	<i>[no change]</i>	<i>[no change]</i>	Provisional common understanding  (c ) the management, monitoring and evaluation of the strategy and its animation, <b>including the facilitation of exchanges between stakeholders;</b>	I - 242
2. The support referred to under point (a) of paragraph 1 shall be eligible regardless of whether the strategy is subsequently selected for funding.	<i>[no change]</i>	<i>[no change]</i>	Provisional common understanding  <i>[no change]</i>	I - 243
The support referred to under point (c) of paragraph 1 shall not exceed 25 % of the total public contribution to the strategy.	<i>[no change]</i>	<i>[no change]</i>	Provisional common understanding  <i>[no change]</i>	I - 244
CHAPTER III Technical assistance	<i>[no change]</i>	<i>[no change]</i>	Provisional common understanding  <i>[no change]</i>	I - 245
Article 29 Technical assistance at the initiative of the Commission	<i>[no change]</i>	<i>[no change]</i>	Provisional common understanding  <i>[no change]</i>	I - 246

<b>Commission proposal COM(2018)375</b>	<b>European Parliament position (EP amendments) (Plenary mandate 13/2/19)</b>	<b>Council position (Coreper mandate 19/12/18)</b>	<b>Compromise proposal, comments</b>	<b>Row</b>
1. At the initiative of the Commission, the Funds may support preparatory, monitoring, control, audit, evaluation, communication including corporate communication on the political priorities of the Union, visibility and all administrative and technical assistance actions necessary for the implementation of this Regulation and, where appropriate with third countries.	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding</i>  <i>[no change]</i>	I - 247
	<u>Amendment 201</u>  <b><i>1a. The actions referred to in the first subparagraph may include in particular:</i></b>  <b><i>(a) assistance for project preparation and appraisal;</i></b>  <b><i>(b) support for institutional strengthening and administrative capacity-building for the effective management of the Funds;</i></b>  <b><i>(c) studies linked to the Commission's reporting on the Funds and the cohesion report;</i></b>		<i>Provisional common understanding</i>  <b>1a. The actions referred to in the first subparagraph may include in particular:</b>  <b>(a) assistance for project preparation and appraisal;</b>  <b>(b) support for institutional strengthening and administrative capacity-building for the effective management of the Funds;</b>  <b>(c) studies linked to the Commission's reporting on the Funds and the cohesion report;</b>	I - 248



<b>Commission proposal COM(2018)375</b>	<b>European Parliament position (EP amendments) (Plenary mandate 13/2/19)</b>	<b>Council position (Coreper mandate 19/12/18)</b>	<b>Compromise proposal, comments</b>	<b>Row</b>
	<p><i>(d) measures related to the analysis, management, monitoring, information exchange and implementation of the Funds, as well as measures relating to the implementation of control systems and technical and administrative assistance;</i></p> <p><i>(e) evaluations, expert reports, statistics and studies, including those of a general nature, concerning the current and future operation of the Funds;</i></p> <p><i>(f) actions to disseminate information, support networking where appropriate, carry out communication activities with particular attention to the results and added value of support from the Funds, and to raise awareness and promote cooperation and exchange of experience, including with third countries;</i></p> <p><i>(g) the installation, operation and interconnection of computerised systems for management, monitoring, audit, control and evaluation;</i></p>		<p><b>(d) measures related to the analysis, management, monitoring, information exchange and implementation of the Funds, as well as measures relating to the implementation of control systems and technical and administrative assistance;</b></p> <p><b>(e) evaluations, expert reports, statistics and studies, including those of a general nature, concerning the current and future operation of the Funds;</b></p> <p><b>(f) actions to disseminate information, support networking where appropriate, carry out communication activities with particular attention to the results and added value of support from the Funds, and to raise awareness and promote cooperation and exchange of experience, including with third countries;</b></p> <p><b>(g) the installation, operation and interconnection of computerised systems for management, monitoring, audit, control and evaluation;</b></p>	

Commission proposal COM(2018)375	European Parliament position (EP amendments) (Plenary mandate 13/2/19)	Council position (Coreper mandate 19/12/18)	Compromise proposal, comments	Row
	<p><i>(h) actions to improve evaluation methods and the exchange of information on evaluation practices;</i></p> <p><i>(i) actions related to auditing;</i></p> <p><i>(j) the strengthening of national and regional capacity regarding investment planning, funding needs, preparation, design and implementation of financial instruments, joint action plans and major projects;</i></p> <p><i>(k) the dissemination of good practices in order to assist Member States to strengthen the capacity of the relevant partners referred to in Article 6(1) and their umbrella organisations.</i></p>		<p><b>(h) actions to improve evaluation methods and the exchange of information on evaluation practices;</b></p> <p><b>(i) actions related to auditing;</b></p> <p><b>(j) the strengthening of national and regional capacity regarding investment planning, funding needs, preparation, design and implementation of financial instruments, joint action plans and major projects;</b></p> <p><b>(k) the dissemination of good practices in order to assist Member States to strengthen the capacity of the relevant partners referred to in Article 6(1) and their umbrella organisations.</b></p>	
	<p><u>Amendment 202</u></p> <p><i>1b. The Commission shall dedicate at least 15 % of the resources for technical assistance at the initiative of the Commission to bring about greater efficiency in communication to the public and stronger synergies between the communication activities undertaken at the initiative of the Commission, by extending the</i></p>		<p><i>Provisional common understanding</i></p> <p><b>1b. The Commission shall dedicate at least 15 % of the resources for technical assistance at the initiative of the Commission to bring about greater efficiency in communication to the public and stronger synergies between the communication activities undertaken at the initiative of the Commission, by extending the</b></p>	I - 249

Commission proposal COM(2018)375	European Parliament position (EP amendments) (Plenary mandate 13/2/19)	Council position (Coreper mandate 19/12/18)	Compromise proposal, comments	Row
	<i>knowledge base on results, in particular through more effective data collection and dissemination, evaluations and reporting, and especially by highlighting the contribution of the Funds to improving the lives of citizens, and by increasing the visibility of support from the Funds as well as by raising awareness about the results and the added value of such support. Information, communication and visibility measures on results and added value of support from the Funds, with particular focus on operations, shall be continued after the closure of the programmes, where appropriate. Such measures shall also contribute to the corporate communication of the political priorities of the Union as far as they are related to the general objectives of this Regulation.</i>		<b>knowledge base on results, in particular through more effective data collection and dissemination, evaluations and reporting, and especially by highlighting the contribution of the Funds to improving the lives of citizens, and by increasing the visibility of support from the Funds as well as by raising awareness about the results and the added value of such support. Information, communication and visibility measures on results and added value of support from the Funds, with particular focus on operations, shall be continued after the closure of the programmes, where appropriate. Such measures shall also contribute to the corporate communication of the political priorities of the Union as far as they are related to the general objectives of this Regulation.</b>	
2. Such actions may cover future and previous programming periods.	<u>Amendment 203</u>  2. Such actions may cover <del>future and</del> previous <b>and future</b> programming periods.	[no change]	<i>Provisional common understanding</i>  2. Such actions may cover <del>future and</del> previous <b>and subsequent</b> programming periods.	I - 250
	<u>Amendment 204</u>		<i>Provisional common understanding</i>	I - 251

Commission proposal COM(2018)375	European Parliament position (EP amendments) (Plenary mandate 13/2/19)	Council position (Coreper mandate 19/12/18)	Compromise proposal, comments	Row
	<i>2a. In order to avoid situations where payments are suspended, the Commission shall ensure that Member States and regions which face compliance concerns due to a lack of administrative capacity receive adequate technical assistance to improve that administrative capacity.</i>		<i>[EP amendment withdrawn]</i>	
3. The Commission shall set out its plans when a contribution from the Funds is envisaged in accordance with Article [110] of the Financial Regulation.	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding</i> <i>[no change]</i>	I - 252
4. Depending on the purpose, the actions referred to in this Article can be financed either as operational or administrative expenditure.	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding</i> <i>[no change]</i>	I - 253

Commission proposal	European Parliament position (EP amendments) (Plenary mandate 13/2/19)	Council position (Coreper mandate 19/12/18)	Compromise proposal, comments	Row
Article 30 Technical assistance of Member States	Article 30 Technical assistance of Member States <sup>24</sup>	Article 30 Technical assistance of Member States <sup>25</sup>	Provisional common understanding [no change]	I - 254

<sup>24</sup> European Parliament position: *Recital (25) will be amended as follows:* (25) In order to reduce the administrative burden, technical assistance at the initiative of the Member State should be implemented through a flat rate based on progress in programme implementation. That technical assistance may be complemented with targeted administrative capacity building measures, **such as the evaluation of the skills set of human resources**, using reimbursement methods that are not linked to costs. Actions and deliverables as well as corresponding Union payments can be agreed in a roadmap and can lead to payments for results on the ground.

<sup>25</sup> Council position: **Changes made in Article 30 entail changes in recital 25 and in the following Articles: 8, 12, 17, 37, 85 and 88 CPR.**

- *Recital (25) will be amended as follows:* (25) In order to reduce the administrative burden, **it should be possible to implement technical assistance linked to programme implementation** at the initiative of the Member State ~~should be implemented~~ through a flat rate based on progress in programme implementation **and to cover also horizontal tasks. In order to facilitate financial management, Member States should have the possibility to indicate one or more bodies to which related payments by the Commission should be made. Since these payments are based on the application of a flat-rate, there should be no controls of underlying expenditure. Nevertheless, where continuity with the 2014-2020 period is preferred, the Member State should also be provided with the possibility to continue to implement technical assistance through a separate programme or priorities within a programme and to receive reimbursement of eligible costs actually incurred by the beneficiary and paid in implementing operations. The Member State should indicate its choice of the form of Union contribution for technical assistance for the entire programming period. However, in order to simplify the implementation for the AMIF, the ISF and the BMVI and for Interreg programmes, only the flat-rate approach should be used. Regardless of the option chosen, That** technical assistance may be complemented with targeted administrative capacity building measures using reimbursement methods that are not linked to costs. Actions and deliverables as well as corresponding Union payments can be agreed in a roadmap and can lead to payments for results on the ground.
- *Article 37- Transmission of data will be amended as follows: (New sub-paragraph in paragraph 2:)* **This paragraph shall not comprise data for technical assistance implemented pursuant to Article 30(5) and point (b) shall not apply to technical assistance implemented pursuant to Article 32.**
- *Article 85(3)(b) – Payment applications will be amended as follows:* **(b) the amount for technical assistance calculated in accordance with Article 30(5)(b) where applicable;**
- *Article 88 – Reimbursement based on unit cost, lump sums, flat rates will be amended as follows:* **5 (new). This Article shall not apply to the Union contribution for technical assistance reimbursed pursuant to point (e) of Article 46.**

Commission proposal	European Parliament position (EP amendments) (Plenary mandate 13/2/19)	Council position (Coreper mandate 19/12/18)	Compromise proposal, comments	Row
1. At the initiative of a Member State, the Funds may support actions, which may concern previous and subsequent programming periods, necessary for the effective administration and use of those Funds.	<u>Amendment 205</u>  1. At the initiative of a Member State, the Funds may support actions, which may concern previous and subsequent programming periods, necessary for the effective administration and use of those Funds, <b>for the capacity building of the partners referred to in Article 6, as well as to ensure functions such as preparation, training, management, monitoring, evaluation, visibility and communication.</b>	[no change]	<i>Provisional common understanding</i>  1. At the initiative of a Member State, the Funds may support actions, which may concern previous and subsequent programming periods, necessary for the effective administration and use of those Funds, <b>including for the capacity building of the partners referred to in Article 6, as well as to provide financing for carrying out, amongst others, functions such as preparation, training, management, monitoring, evaluation, visibility and communication.</b>	I - 255
		<b>The amounts for technical assistance shall not be taken into account for the purposes of thematic concentration in accordance with the fund-specific rules.</b>	<i>Provisional common understanding</i>  <b>The amounts for technical assistance under this Article and Article 32 shall not be taken into account for the purposes of thematic concentration in accordance with the fund-specific rules.</b>	I - 256
2. Each Fund may support technical assistance actions eligible under any of the other Funds.	[no change]	[no change]	<i>Provisional common understanding</i>  [no change]	I - 257
3. Within each programme, technical assistance shall take the form of a priority relating to one single Fund.	<u>Amendment 206</u>  3. Within each programme, technical	<del>3. Within each programme, technical assistance shall take the form of a priority relating to one single Fund.</del>	<i>Provisional common understanding</i>  <del>3. Within each programme, technical</del>	I - 258

Commission proposal	European Parliament position (EP amendments) (Plenary mandate 13/2/19)	Council position (Coreper mandate 19/12/18)	Compromise proposal, comments	Row
	assistance shall take the form of a priority relating to <i>either</i> one single Fund <i>or several Funds</i> .		<del>assistance shall take the form of a priority relating to one single Fund.</del>	
		<b>3. The Union contribution for technical assistance in a Member State shall be made either pursuant to point (b) of Article 46 or pursuant to point (e) of that Article.</b>	Provisional common understanding  <b>3. The Union contribution for technical assistance in a Member State shall be made either pursuant to point (b) of Article 46 or pursuant to point (e) of that Article.</b>	I - 259
		<i>The Member State shall indicate its choice of the form of Union contribution for technical assistance in the Partnership Agreement in accordance with Annex II, or as part of the comprehensive set of information in accordance with Annex IIbis. This choice shall apply to all programmes in the Member State concerned for the entire programming period and cannot be modified subsequently.</i>	Provisional common understanding  The Member State shall indicate its choice of the form of Union contribution for technical assistance in the Partnership Agreement in accordance with Annex II. This choice shall apply to all programmes in the Member State concerned for the entire programming period and cannot be modified subsequently.	I - 260
		<i>For programmes supported by the AMIF, the ISF and the BMVI and for Interreg programmes the Union contribution for technical assistance shall be made only pursuant to point (e) of Article 46.</i>	Provisional common understanding  For programmes supported by the AMIF, the ISF and the BMVI and for Interreg programmes the Union contribution for technical assistance shall be made only pursuant to point	I - 261



Commission proposal	European Parliament position (EP amendments) (Plenary mandate 13/2/19)	Council position (Coreper mandate 19/12/18)	Compromise proposal, comments	Row
			<b>(e) of Article 46.</b>	
		<i>4. Where the Union contribution for technical assistance in a Member State is reimbursed pursuant to point (b) of Article 46, the following elements shall apply:</i>	Provisional common understanding  <b>4. Where the Union contribution for technical assistance in a Member State is reimbursed pursuant to point (b) of Article 46, the following elements shall apply:</b>	I - 262
		<i>(a) technical assistance shall take the form of a priority relating to one single Fund in one or more programmes, or of a specific programme, or a combination thereof;</i>	Provisional common understanding  <b>(a) technical assistance shall take the form of a priority relating to one single Fund in one or more programmes, or of a specific programme, or a combination thereof;</b>	I - 263
		<i>(b) the amount of the Funds allocated to technical assistance is limited to the following:</i>  <i>(i) for the ERDF support under the Investment for jobs and growth goal: 3,5%</i>  <i>(ii) for the Cohesion Fund support: 2,5 %;</i>  <i>(iii) for the ESF+ support: 4% and for programmes under Article 4(1)(xi) of</i>	Provisional common understanding  <b>(b) the amount of the Funds allocated to technical assistance is limited to the following:</b>  <b>(i) for the ERDF support under the Investment for jobs and growth goal: 3,5%</b>  <b>(ii) for the Cohesion Fund support: 2,5 %;</b>  <b>(iii) for the ESF+ support: 4% and</b>	I - 264



Commission proposal	European Parliament position (EP amendments) (Plenary mandate 13/2/19)	Council position (Coreper mandate 19/12/18)	Compromise proposal, comments	Row
		<p><i>the ESF+ Regulation: 5 %;</i></p> <p><i>(iv) for the ERDF, ESF+ and Cohesion Fund, where the total amount allocated to a Member State under the Investment for jobs and growth goal does not exceed EUR 1 billion: 6%.</i></p> <p><i>(v) for the EMFF support: 6 %.</i></p>	<p><b>for programmes under Article 4(1)(xi) of the ESF+ Regulation: 5 %;</b></p> <p><b>(iv) for the ERDF, ESF+ and Cohesion Fund, where the total amount allocated to a Member State under the Investment for jobs and growth goal does not exceed EUR 1 billion: 6%;</b></p> <p><b>(v) for the EMFF support: 6 %;</b></p> <p><b>(v bis) for programmes under the Investment for Jobs and Growth goal that concern only the outermost regions, the percentage shall be increased by 1% point.</b></p>	
		<p><i>5. Where the Union contribution for technical assistance is reimbursed pursuant to point (e) of Article 46, the following elements shall apply:</i></p>	<p><i>Provisional common understanding</i></p> <p><b>5. Where the Union contribution for technical assistance is reimbursed pursuant to point (e) of Article 46, the following elements shall apply:</b></p>	I - 265
		<p><i>(a) the amount of the Funds allocated to technical assistance shall be identified as part of the financial allocations of each priority of the programme in accordance with point (ii) of Article 17(3)(f) and shall not take the form of a separate priority or</i></p>	<p><i>Provisional common understanding</i></p> <p><b>(a) the amount of the Funds allocated to technical assistance shall be identified as part of the financial allocations of each priority of the programme in accordance with</b></p>	I - 266

Commission proposal	European Parliament position (EP amendments) (Plenary mandate 13/2/19)	Council position (Coreper mandate 19/12/18)	Compromise proposal, comments	Row
		<i>a specific programme<sup>26</sup> except for programmes supported by the AMIF, the ISF and the BMVI for which it shall take the form of a specific objective;</i>	point (ii) of Article 17(3)(f) and shall not take the form of a separate priority or a specific programme <sup>27</sup> except for programmes supported by the AMIF, the ISF and the BMVI for which it shall take the form of a specific objective;	
		<p><i>(b) the reimbursement is made, by applying the percentages set out in points (i) to (v) to the eligible expenditure included in each payment application pursuant to Article 85(3)(a) or (c) as appropriate and from the same fund to which the eligible expenditure is reimbursed, to one or more bodies which receive payments from the Commission in accordance with Article 17(3)(j);</i></p> <p><i>(i) for the ERDF support under the Investment for jobs and growth goal: 3,5%</i></p> <p><i>(ii) for the Cohesion Fund support:</i></p>	<p><i>Provisional common understanding</i></p> <p><b>(b) the reimbursement is made, by applying the percentages set out in points (i) to (v) to the eligible expenditure included in each payment application pursuant to Article 85(3)(a) or (c) as appropriate and from the same fund to which the eligible expenditure is reimbursed, to one or more bodies which receive payments from the Commission in accordance with Article 17(3)(j);</b></p> <p><b>(i) for the ERDF support under the Investment for jobs and growth goal: 3,5%</b></p>	I - 267

<sup>26</sup> Council position: N.B. To be aligned throughout the text with the finally agreed nomenclature for the EMFF, in line with Annex II of the EMFF Regulation.

<sup>27</sup> Council position: N.B. To be aligned throughout the text with the finally agreed nomenclature for the EMFF, in line with Annex II of the EMFF Regulation.

Commission proposal	European Parliament position (EP amendments) (Plenary mandate 13/2/19)	Council position (Coreper mandate 19/12/18)	Compromise proposal, comments	Row
		<p>2,5 %;</p> <p><i>(iii) for the ESF+ support: 4% and for programmes under Article 4(1)(xi) of the ESF+ Regulation: 5 %;</i></p> <p><i>(iv) for the ERDF, ESF+ and Cohesion Fund, where the total amount allocated to a Member State under the Investment for jobs and growth goal does not exceed EUR 1 billion, the percentage reimbursed for technical assistance: 6%.</i></p> <p><i>(v) for the EMFF, the AMIF, the ISF and the BMVI support: 6 %.</i></p>	<p><b>(ii) for the Cohesion Fund support: 2,5 %;</b></p> <p><b>(iii) for the ESF+ support: 4% and for programmes under Article 4(1)(xi) of the ESF+ Regulation: 5 %;</b></p> <p><b>(iv) for the ERDF, ESF+ and Cohesion Fund, where the total amount allocated to a Member State under the Investment for jobs and growth goal does not exceed EUR 1 billion, the percentage reimbursed for technical assistance: 6%.</b></p> <p><b>(v) for the EMFF, the AMIF, the ISF and the BMVI support: 6 %;</b></p> <p><b>(v bis) for programmes under the Investment for Jobs and Growth goal that concern only the outermost regions, the percentage shall be increased by 1% point.</b></p>	
		<p><i>(c) the amounts allocated to technical assistance identified in the programme shall correspond to the percentages set out in points (i)-(v) of point (b) for each priority and fund.</i></p>	<p><i>Provisional common understanding</i></p> <p><b>(c) the amounts allocated to technical assistance identified in the programme shall correspond to the percentages set out in points (i)-(v) of point (b) for each priority and</b></p>	1 - 268

Commission proposal	European Parliament position (EP amendments) (Plenary mandate 13/2/19)	Council position (Coreper mandate 19/12/18)	Compromise proposal, comments	Row
			<b>fund.</b>	
		<b>6. Specific rules for technical assistance for Interreg programmes shall be set out in the ETC Regulation.</b>	Provisional common understanding  <b>6. Specific rules for technical assistance for Interreg programmes shall be set out in the ETC Regulation.</b>	I - 269
<i>Article 31</i> <i>Flat-rate financing for technical assistance of Member States</i>	[no change]	<del>Article 31</del> <del>Flat-rate financing for technical assistance of Member States</del>	Provisional common understanding  <del>Article 31</del> <del>Flat-rate financing for technical assistance of Member States</del>	I - 270
1. Technical assistance to each programme shall be reimbursed as a flat-rate by applying the percentages set out in paragraph 2 to the eligible expenditure included in each payment application pursuant to Article 85(3)(a) or (c) as appropriate.	[no change]	<del>1. Technical assistance to each programme shall be reimbursed as a flat-rate by applying the percentages set out in paragraph 2 to the eligible expenditure included in each payment application pursuant to Article 85(3)(a) or (c) as appropriate.</del>	Provisional common understanding  <del>1. Technical assistance to each programme shall be reimbursed as a flat-rate by applying the percentages set out in paragraph 2 to the eligible expenditure included in each payment application pursuant to Article 85(3)(a) or (c) as appropriate.</del>	I - 271
2. The percentage of the Funds reimbursed for technical assistance shall be the following:	<u>Amendment 207</u>  <b>2. On the basis of an agreement between the Commission and the Member States and taking into account the programme financial</b>	<del>2. The percentage of the Funds reimbursed for technical assistance shall be the following:</del>	Provisional common understanding  <del>2. The percentage of the Funds reimbursed for technical assistance shall be the following:</del>	I - 272

Commission proposal	European Parliament position (EP amendments) (Plenary mandate 13/2/19)	Council position (Coreper mandate 19/12/18)	Compromise proposal, comments	Row
	<i>plan</i> , the percentage of the Funds reimbursed for technical assistance <i>may be up to</i> <del>shall be the following:</del>			
(a) for the ERDF support under the Investment for jobs and growth goal, and for the Cohesion Fund support: 2,5 %;	<u>Amendment 208</u>  (a) for the ERDF support under the Investment for jobs and growth goal, and for the Cohesion Fund support: <del>2,5%</del> <b>3 %</b> ;	<del>(a) for the ERDF support under the Investment for jobs and growth goal, and for the Cohesion Fund support: 2,5 %;</del>	<i>Provisional common understanding</i>  <del>(a) for the ERDF support under the Investment for jobs and growth goal, and for the Cohesion Fund support: 2,5 %;</del>	I - 273
(b) for the ESF+ support: 4% and for programmes under Article 4(1)(c)(vii) of the ESF+ Regulation: 5 %;	<u>Amendment 209</u>  (b) for the ESF+ support: <del>4%</del> <b>5 %</b> and for programmes under Article <del>4(1)(c)(vii)</del> <b>4(1)(xi)</b> of the ESF+ Regulation: <del>5%</del> <b>6 %</b> ;	<del>(b) for the ESF+ support: 4% and for programmes under Article 4(1)(c)(vii) of the ESF+ Regulation: 5 %;</del>	<i>Provisional common understanding</i>  <del>(b) for the ESF+ support: 4% and for programmes under Article 4(1)(c)(vii) of the ESF+ Regulation: 5 %;</del>	I - 274
(c) for the EMFF support: 6 %;	<i>[no change]</i>	<del>(c) for the EMFF support: 6 %;</del>	<i>Provisional common understanding</i>  <del>(c) for the EMFF support: 6 %;</del>	I - 275
(d) for the AMIF, the ISF and the BMVI support: 6 %.	<u>Amendment 210</u>  (d) for the AMIF, the ISF and the BMVI support: <del>6%</del> <b>7 %</b> .	<del>(d) for the AMIF, the ISF and the BMVI support: 6 %.</del>	<i>Provisional common understanding</i>  <del>(d) for the AMIF, the ISF and the BMVI support: 6 %.</del>	I - 276
	<u>Amendment 211</u>  <i><b>For the outermost regions, for (a), (b), (c) the percentage shall be up to 1% higher.</b></i>		<i>Provisional common understanding</i>  <i>[EP amendment withdrawn]</i>	I - 277

Commission proposal	European Parliament position (EP amendments) (Plenary mandate 13/2/19)	Council position (Coreper mandate 19/12/18)	Compromise proposal, comments	Row
3. Specific rules for technical assistance for Interreg programmes shall be set out in the ETC Regulation .	[no change]	<del>3. Specific rules for technical assistance for Interreg programmes shall be set out in the ETC Regulation .</del>	Provisional common understanding <del>3. Specific rules for technical assistance for Interreg programmes shall be set out in the ETC Regulation .</del>	I - 278
<i>Article 32</i> <i>Financing not linked to costs for technical assistance of Member States</i>	[no change]	[no change]	Provisional common understanding  [no change]	I - 279
In addition to Article 31, the Member State may propose to undertake additional technical assistance actions to reinforce the capacity of Member State authorities, beneficiaries and relevant partners necessary for the effective administration and use of the Funds.	<u>Amendment 212</u>  In addition to Article 31, the Member State may propose to undertake additional technical assistance actions to reinforce the <b>institutional</b> capacity of Member State <b>and efficiency of public</b> authorities <b>and services</b> , beneficiaries and relevant partners necessary for the effective administration and use of the Funds.	In addition to Article <del>31</del> <b>30</b> , the Member State may propose to undertake additional technical assistance actions to reinforce the capacity of Member State authorities, beneficiaries and relevant partners necessary for the effective administration and use of the Funds.	Provisional common understanding  In addition to Article <del>31</del> <b>30</b> , the Member State may propose to undertake additional technical assistance actions to reinforce the capacity <b>and efficiency</b> of Member State <b>public</b> authorities <b>and bodies</b> , beneficiaries and relevant partners necessary for the effective administration and use of the Funds.	I - 280
Support for such actions shall be implemented by financing not linked to costs in accordance with Article 89.	<u>Amendment 213</u>  Support for such actions shall be implemented by financing not linked to costs in accordance with Article 89. <b>Technical assistance in the form of an optional specific programme may be implemented either through financing not linked to costs for technical assistance or through</b>	Support for such actions shall be implemented by financing not linked to costs in accordance with Article 89. <b>Such support may also take the form of a specific programme containing the elements set out in Article 89(1).</b>	Provisional common understanding  Support for such actions shall be implemented by financing not linked to costs in accordance with Article 89. <b>Such support may also take the form of a specific programme.</b>	I - 281

<b>Commission proposal</b>	<b>European Parliament position (EP amendments) (Plenary mandate 13/2/19)</b>	<b>Council position (Coreper mandate 19/12/18)</b>	<b>Compromise proposal, comments</b>	<b>Row</b>
	<i>reimbursement of direct costs.</i>			
<b>ANNEXES<sup>28</sup></b>	<b>ANNEXES</b>	<b>ANNEXES</b>		I - 282
ANNEX I: Dimensions and codes for the types of intervention for the ERDF, the ESF+ and the Cohesion Fund - Article 17(5)				I - 283
ANNEX II: Template for Part. Agreement - Art 7(4)				I - 284
		<i>ANNEX IIbis Template for comprehensive set of information - Article 8(2)</i>	<i>[CONS AMD withdrawn]</i>	I - 285
ANNEX V: Template for programmes supported from the ERDF (Investment for Jobs and growth goal), ESF+, the Cohesion Fund and the EMFF – Article 16(3)				I - 286
<i>APPENDIX 3: EMFF action plan for small-scale coastal fishing</i>				I - 287
<i>APPENDIX 4: EMFF action plan for each outermost region</i>				I - 288
ANNEX VI: Template of a programme for the AMIF, the ISF and the BMVI – Article 16(3)				I - 289

<sup>28</sup> Detailed changes proposed by the co-legislators in the core text of the Annexes will be discussed using a separate document.

**COMMON PROVISIONS REGULATION - BLOCK 2: Conditions for eligibility and performance framework (Articles 11-15)**

Commission proposal COM(2018)375	European Parliament's first reading (27/3/19)	Council position (COREPER partial mandate 15/2/2019)	Compromise proposal, comments	Row
		<b>TABLE OF CONTENTS</b>  [... TO BE INSERTED]	<i>Provisional common understanding under Block 1</i>  TABLE OF CONTENTS FOR THE CPR	II - 1
Title II Strategic Approach	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding</i>  <i>[No change]</i>	II - 2
<i>CHAPTER II</i> <i>Enabling conditions and performance framework</i>	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding</i>  <i>[No change]</i>	II - 3
<i>Article 11</i> <i>Enabling conditions</i>	<i>[no change]</i> <sup>29</sup>	<i>[no change]</i>	<i>Provisional common understanding</i>  <i>[No change]</i>	II - 4

<sup>29</sup> EP position:

- the first sentence of recital (17) is amended as follows: (17) To ensure the necessary prerequisites for the ***inclusive, non-discriminatory***, effective and efficient use of Union support granted by the Funds, a limited list of enabling conditions as well as a concise and exhaustive set of objective criteria for their assessment should be established. (...)
- under Article 2 (line VII-24) definition of enabling condition is added: ***(1 a) 'enabling condition' means a concrete and precisely defined condition which has a genuine link to a direct impact on the effective and efficient achievement of a specific objective of the programme;***



Commission proposal COM(2018)375	European Parliament's first reading (27/3/19)	Council position (COREPER partial mandate 15/2/2019)	Compromise proposal, comments	Row
1. For each specific objective, prerequisite conditions for its effective and efficient implementation ('enabling conditions') are laid down in this Regulation.	<u>Amendment 109</u> For each specific objective, prerequisite conditions for its effective and efficient implementation ('enabling conditions') are laid down in this Regulation. <b><i>Enabling conditions shall apply to the extent to which they contribute to the achievement of the specific objectives of the programme.</i></b>	1. For <del>each</del> <b>the</b> specific <del>objective</del> <b>objectives</b> , prerequisite conditions for <del>its</del> <b>their</b> effective and efficient implementation ('enabling conditions') are laid down in this Regulation.	<i>Provisional common understanding</i> 1. For <del>each</del> <b>the</b> specific <del>objective</del> <b>objectives</b> , prerequisite conditions for <del>its</del> <b>their</b> effective and efficient implementation ('enabling conditions') are laid down in this Regulation.	II - 5
Annex III lays down horizontal enabling conditions applicable to all specific objectives and the criteria necessary for the assessment of their fulfilment.	[no change]	[no change]	<i>Provisional common understanding</i>  [No change]	II - 6
Annex IV lays down thematic enabling conditions for the ERDF, the Cohesion Fund and the ESF+ and the criteria necessary for the assessment of their fulfilment.	[no change]	[no change]	<i>Provisional common understanding</i>  [No change]	II - 7
		<b>The enabling condition regarding the tools and capacity for effective application of State aid rules is not applicable to programmes supported by the AMIF, the BMVI and the ISF.</b>	<i>Provisional common understanding</i>  <b>The enabling condition regarding the tools and capacity for effective application of State aid rules is not applicable to programmes supported by the AMIF, the BMVI and the ISF.</b>	II - 8

Commission proposal COM(2018)375	European Parliament's first reading (27/3/19)	Council position (COREPER partial mandate 15/2/2019)	Compromise proposal, comments	Row
2. When preparing a programme or introducing a new specific objective as part of a programme amendment, the Member State shall assess whether the enabling conditions linked to the selected specific objective are fulfilled. An enabling condition is fulfilled where all the related criteria are met. The Member State shall identify in each programme or in the programme amendment the fulfilled and non-fulfilled enabling conditions and where it considers that an enabling condition is fulfilled, it shall provide justification.	<u>Amendment 110</u> 2. When preparing a programme or introducing a new specific objective as part of a programme amendment, the Member State shall assess whether the enabling conditions linked to the selected specific objective are fulfilled. An enabling condition is fulfilled where all the related criteria are met. The Member State shall identify in each programme or in the programme amendment the fulfilled and non-fulfilled enabling conditions and where it considers that an enabling condition is fulfilled, it shall provide justification. <b><i>On the request of a Member State, the EIB may contribute to the assessments of actions needed to fulfil the relevant enabling conditions.</i></b>	2. When preparing a programme or introducing a new specific objective as part of a programme amendment, the Member State shall assess whether the <b>applicable</b> enabling conditions linked to the selected specific objective are fulfilled, <b>taking into account the principle of proportionality</b> . An enabling condition is fulfilled where all the related criteria are met. The Member State shall identify in each programme or in the programme amendment the fulfilled and non-fulfilled enabling conditions and where it considers that an enabling condition is fulfilled, it shall provide justification.	<i>Provisional common understanding</i> 2. When preparing a programme or introducing a new specific objective as part of a programme amendment, the Member State shall assess whether <b>those</b> <del>the</del> enabling conditions linked to the selected specific objective are fulfilled. An enabling condition is fulfilled where all the related criteria are met. The Member State shall identify in each programme or in the programme amendment the fulfilled and non-fulfilled enabling conditions and where it considers that an enabling condition is fulfilled, it shall provide justification. <sup>30</sup>	II - 9

<sup>30</sup> Drafting suggestion for recital (17), in order to align with row II-9: Recital (17):

"To ensure the necessary prerequisites for the effective and efficient use of Union support granted by the Funds, a limited list of enabling conditions as well as a concise and exhaustive set of objective criteria for their assessment should be established. Each enabling condition should be linked to a specific objective and should be automatically applicable where the specific objective is selected for support. **Without prejudice to the rules on decommitment, w**Where those conditions are not fulfilled, expenditure related to operations under the related specific objectives should not be **reimbursed by the Commission included in payment applications**. In order to maintain a favourable investment framework, the continued fulfilment of the enabling conditions should be monitored regularly. **On the request of a Member State, the EIB may contribute to the assessment of the fulfilment of enabling conditions.** It is also important to ensure that operations selected for support are implemented consistently with the strategies and planning documents in place underlying the fulfilled enabling conditions, thus ensuring that all co-financed operations are in line with the Union policy framework."

Commission proposal COM(2018)375	European Parliament's first reading (27/3/19)	Council position (COREPER partial mandate 15/2/2019)	Compromise proposal, comments	Row
3. Where an enabling condition is not fulfilled at the time of approval of the programme or the programme amendment, the Member State shall report to the Commission as soon as it considers the enabling condition fulfilled with justification.	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding</i>  <i>[No change]</i>	II - 10
4. The Commission shall, within three months of receipt of the information referred to in paragraph 3, perform an assessment and inform the Member State where it agrees with the fulfilment.	<u>Amendment 111</u> 4. The Commission shall, within <del>three</del> <b>two</b> months of receipt of the information referred to in paragraph 3, perform an assessment and inform the Member State where it agrees with the fulfilment.	<i>[no change]</i>	<i>Provisional common understanding</i>  4. The Commission shall, <b>as soon as possible and no later than</b> <del>within</del> three months <del>of</del> <b>after</b> -receipt of the information referred to in paragraph 3, perform an assessment and inform the Member State where it agrees with the fulfilment <b>of the enabling condition.</b>  Where the Commission disagrees with the assessment of the Member State, it shall inform the Member State <del>accordingly and give it the opportunity to present its observations within one month.</del> <b>setting out its assessment.</b>	II - 11
Where the Commission disagrees with the assessment of the Member State, it shall inform the Member State accordingly and give it the opportunity to present its observations within one	<u>Amendment 112</u> Where the Commission disagrees with the assessment of the Member State, it shall inform the Member State accordingly and give it the opportunity	Where the Commission disagrees with the assessment of the Member State, it shall inform the Member State <del>accordingly and give it the opportunity to present its observations within one</del>	<i>Provisional common understanding:</i>  <b>Where the Member State disagrees with this assessment, it shall present its observations within one</b>	II - 12

Commission proposal COM(2018)375	European Parliament's first reading (27/3/19)	Council position (COREPER partial mandate 15/2/2019)	Compromise proposal, comments	Row
month.	to present its observations within <del>one month</del> <b>maximum two months</b> .	<del>month</del> <b>setting out its assessment accordingly. The Member State shall react in accordance with the procedure set out in paragraph 3.</b>	<b>month and the Commission shall proceed in accordance with the first sub-paragraph.</b>  <b>Where the Member State accepts the assesement of the Commission, it shall proceed in accordance with paragraph 3.</b>	
5. Expenditure related to operations linked to the specific objective cannot be included in payment applications until the Commission has informed the Member State of the fulfilment of the enabling condition pursuant to paragraph 4.	<u>Amendment 113</u> Expenditure related to operations linked to the specific objective <b>may</b> <del>cannot</del> be included in payment applications <del>until</del> <b>before</b> the Commission has informed the Member State of the fulfilment of the enabling condition pursuant to paragraph 4, <b>without prejudice to the suspension of the reimbursement itself until such time as the condition is fulfilled.</b>	<b>5. Without prejudice to Article 99,</b> expenditure related to operations linked to the specific objective <del>cannot</del> <b>shall not be included in payment applications reimbursed by the Commission to the Member State<sup>31</sup></b> until the Commission has informed the Member State of the fulfilment of the enabling condition pursuant to <b>the first sub-paragraph of</b> paragraph 4.	<i>Provisional common understanding</i>  <b>5. Without prejudice to Article 99,</b> expenditure related to operations linked to the specific objective <del>cannot</del> be included in payment applications <b>but shall not be reimbursed by the Commission</b> until the Commission has informed the Member State of the fulfilment of the enabling condition pursuant to <b>the first sub-paragraph of</b> paragraph 4.  <i>* Council related amendment to Article 87(1) is left for the CPR negotiations on Block 6.</i>	II - 13
The first sub-paragraph shall not apply to operations that contribute to the	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding</i>	II - 14

<sup>31</sup> Council position: Changes proposed in Articles 11(5) and 11(6) entail a modification of Article 87(1), as follows: "**Without prejudice to Article 11(5) and (6) and** subject to available funding, the Commission shall make interim payments no later than 60 days after the date on which a payment application is received by the Commission.

Commission proposal COM(2018)375	European Parliament's first reading (27/3/19)	Council position (COREPER partial mandate 15/2/2019)	Compromise proposal, comments	Row
fulfilment of the corresponding enabling condition.			[No change]	
6. The Member State shall ensure that enabling conditions are fulfilled and applied throughout the programming period. It shall inform the Commission of any modification impacting the fulfilment of enabling conditions.	[no change]	6. The Member State shall ensure that enabling conditions <del>are</del> <b>remain</b> fulfilled and applied throughout the programming period. It shall inform the Commission of any modification impacting the fulfilment of enabling conditions.	<i>Provisional common understanding</i>  6. The Member State shall ensure that enabling conditions <del>are</del> <b>remain</b> fulfilled and <del>applied</del> <b>respected</b> throughout the programming period. It shall inform the Commission of any modification impacting the fulfilment of enabling conditions.	II - 15
Where the Commission considers that an enabling condition is no longer fulfilled, it shall inform the Member State and give it the opportunity to present its observations within one month. Where the Commission concludes that the non-fulfilment of the enabling condition persists, expenditure related to the specific objective concerned cannot be included in payment applications as from the date the Commission informs the Member State accordingly.	[no change]	Where the Commission considers that an enabling condition is no longer fulfilled, it shall inform the Member State <b>setting out its assessment</b> and give it the opportunity to present its observations within one month. Where the Commission concludes that the non-fulfilment of the enabling condition persists, <b>and without prejudice to Article 99</b> , expenditure related to the specific objective concerned <del>cannot</del> <b>shall not</b> be included in payment applications <b>reimbursed by the Commission to the Member State<sup>1</sup></b> as from the date the Commission informs the Member State accordingly.	<i>Provisional common understanding :</i>  Where the Commission considers that an enabling condition is no longer fulfilled, it shall inform the Member State <b>setting out its assessment</b> and <del>give it the opportunity to present its observations within one month.</del> <b>Subsequently, the procedure set out in the second and third subparagraphs of paragraph 4 shall be followed.</b>  Where the Commission concludes that the non-fulfilment of the enabling condition persists <b>and without prejudice to Article 99, based on the observations of the Member State</b> , expenditure related to the specific objective concerned	II - 16

Commission proposal COM(2018)375	European Parliament's first reading (27/3/19)	Council position (COREPER partial mandate 15/2/2019)	Compromise proposal, comments	Row
			<del>cannot</del> <del>may</del> <del>cannot</del> be included in payment applications <b>but shall not be reimbursed by the Commission until the Commission has informed the Member State of the fulfilment of the enabling condition pursuant to the first sub-paragraph of paragraph 4.</b>	
7. Annex IV shall not apply to programmes supported by the EMFF.	[no change]	<del>7. Annex IV shall not apply to programmes supported by the EMFF.</del>	Provisional common understanding  <del>7. Annex IV shall not apply to programmes supported by the EMFF.</del>	II - 17
Article 12 Performance framework	[no change] <sup>32</sup>	Article 12 Performance <del>framework</del>	Provisional common understanding  [No change]	II - 18
1. The Member State shall establish a performance framework which shall allow monitoring, reporting on and evaluating programme performance during its implementation, and contribute to measuring the overall performance of the Funds.	<u>Amendment 115</u>  The Member State, <b>where appropriate, in cooperation with local and regional authorities</b> , shall establish a performance framework which shall allow monitoring, reporting on and evaluating programme performance during its implementation, and contribute to measuring the overall	1. <b>For each programme</b> , the Member State shall establish a performance framework which shall allow monitoring, reporting on and evaluating programme performance during its implementation, and contribute to measuring the overall performance of the Funds.	Provisional common understanding  [No change]  <i>EP AMD 115 to be revisited if relevant based on the outcome of discussion on CPR Block 1 (Art.6)'. </i>	II - 19

<sup>32</sup> EP position: Recital (18) should be amended as follows: (18) Member States should establish a performance framework for each programme covering all indicators, milestones and targets to monitor, report on and evaluate programme performance. ***This should allow project selection and evaluation to be result-driven.***

Commission proposal COM(2018)375	European Parliament's first reading (27/3/19)	Council position (COREPER partial mandate 15/2/2019)	Compromise proposal, comments	Row
	performance of the Funds.			
The performance framework shall consist of:	<i>[no change]</i>	<i>[no change]</i>	Provisional common understanding <i>[No change]</i>	II - 20
(a) the output and result indicators linked to specific objectives set in the Fund-specific Regulations;	<i>[no change]</i>	(a) the output and result indicators linked to specific objectives set in the Fund-specific Regulations <b>identified for the programme</b> ;	Provisional common understanding (a) the output and result indicators linked to specific objectives set in the Fund-specific Regulations <b>selected for the programme</b> ;	II - 21
(b) milestones to be achieved by the end of the year 2024 for output indicators; and	<i>[no change]</i>	(b) milestones to be achieved by the end of the year 2024 for output indicators; and	Provisional common understanding <i>[No change]</i>	II - 22
(c) targets to be achieved by the end of the year 2029 for output and result indicators.	<i>[no change]</i>	<i>[no change]</i>	Provisional common understanding <i>[No change]</i>	II - 23
2. Milestones and targets shall be established in relation to each specific objective within a programme, with the exception of technical assistance and of the specific objective addressing material deprivation set out in Article [4(c)(vii)] of the ESF+ Regulation.	<u>Amendment 116</u> 2. Milestones and targets shall be established in relation to each specific objective within a programme, with the exception of technical assistance and of the specific objective addressing material deprivation set out in Article <del>[4(c)(vii)]</del> [4(1)(xi)] of the ESF+ Regulation.	2. Milestones and targets shall be established in relation to each specific objective within a programme, with the exception of technical assistance <b>implemented pursuant to Article 30(5) and to Article 32</b> and of the specific objective addressing material deprivation set out in Article [4(e)(vii)(xi)] of the ESF+ Regulation.	Provisional common understanding 2. Milestones and targets shall be established in relation to each specific objective within a programme, with the exception of technical assistance and of the specific objective addressing material deprivation set out in Article <del>[4(c)(vii)]</del> [4(1)(xi)] of the ESF+ Regulation.  Reference to Art.30(5) and 32 in	II - 24



Commission proposal COM(2018)375	European Parliament's first reading (27/3/19)	Council position (COREPER partial mandate 15/2/2019)	Compromise proposal, comments	Row
			<i>Council AMD is linked to CPR Block 1 (to be aligned after agreement on Block 1)</i>	
3. Milestones and targets shall allow the Commission and the Member State to measure progress towards the achievement of the specific objectives. They shall meet the requirements set out in Article [33(3)] of the Financial Regulation.	<i>[no change]</i>	<i>[no change]</i>	Provisional common understanding  <i>[No change]</i>	II - 25
<i>Article 13 Methodologies for the establishment of the performance framework</i>	<i>[no change]</i>	<i>[no change]</i>	Provisional common understanding  <i>Article 13 <del>Methodologies</del> <b>Methodology</b> for the establishment of the performance framework</i>	II - 26
1. The methodologies to establish the performance framework shall include:	<i>[no change]</i>	1. <b>For each programme</b> , the methodologies to establish the performance framework shall include:	Provisional common understanding  1. The <del>methodologies</del> <b>methodology</b> to establish the performance framework shall include:	II - 27
(a) the criteria applied by the Member State to select indicators;	<i>[no change]</i>	(a) the criteria applied by the Member State to <del>select</del> <b>identify</b> indicators;	Provisional common understanding  <i>[No change]</i>	II - 28
(b) data or evidence used, data quality assurance and the calculation method;	<i>[no change]</i>	<i>[no change]</i>	Provisional common understanding	II - 29



Commission proposal COM(2018)375	European Parliament's first reading (27/3/19)	Council position (COREPER partial mandate 15/2/2019)	Compromise proposal, comments	Row
			[No change]	
(c) factors that may influence the achievement of the milestones and targets and how they were taken into account.	[no change]	[no change]	Provisional common understanding  [No change]	II - 30
2. The Member State shall make those methodologies available upon request by the Commission.	[no change]	[no change]	Provisional common understanding  2. The Member State shall make <del>those methodologies that</del> <b>methodology</b> available upon request by the Commission.	II - 31
Article 14 Mid-term review	[no change] <sup>33</sup>	Article 14 Mid-term review <b>and flexibility amount</b> <sup>34</sup>	Provisional common understanding  Article 14 Mid-term review <b>and flexibility amount</b>  (EP and CSL AMDs in the footnotes)	II - 32

<sup>33</sup> EP position: The amendments to Article 14 entail the following amendment to Recital (19): (19) The Member State should carry out a mid-term review of each programme supported by the ERDF, the ESF+ and the Cohesion Fund. That review should provide a fully-fledged adjustment of programmes based on programme performance, while also providing an opportunity to take account of new challenges and relevant CSRs issued in 2024, **as well as progress with the National Energy and Climate Plans and the European Pillar of Social Rights. Demographic challenges should also be taken into account.** (...)

<sup>34</sup> Council position: The amendments made in Article 14 require an amendment in Art.80(1) as follows: "1. The decision approving the programme in accordance with Article 18 shall constitute a financing decision within the meaning of [Article 110(3)] of the Financial Regulation and its notification to the Member State concerned shall constitute a legal commitment. That decision shall specify the Union contribution per Fund and per year. **However, for programmes under the Investment for jobs and growth goal an amount corresponding to 50% of the Union contribution for the Investment for jobs and growth goal for the years 2026 and 2027 ('flexibility amount') shall only be definitively allocated after the adoption of the Commission decision following the mid-term review as referred to in Article 14.**"

Commission proposal COM(2018)375	European Parliament's first reading (27/3/19)	Council position (COREPER partial mandate 15/2/2019)	Compromise proposal, comments	Row
			<i>to be seen at the technical level)</i>	
1. For programmes supported by the ERDF, the ESF+ and the Cohesion Fund, the Member State shall review each programme, taking into account the following elements:	<u>Amendment 117</u> 1. For programmes supported by the ERDF, the ESF+ and the Cohesion Fund, the Member State <b>and relevant managing authorities</b> shall review each programme, taking into account the following elements.	<i>[no change]</i>	<i>Provisional common understanding</i> 1. For programmes supported by the ERDF, the ESF+ and the Cohesion Fund, the Member State shall review each programme, taking into account the following elements.	II - 33
(a) the challenges identified in relevant country-specific recommendations adopted in 2024;	<u>Amendment 118</u> <sup>35</sup> (a) <del>the new</del> challenges identified in relevant country-specific recommendations adopted in 2024 <b>and the targets identified in the implementation of the integrated national climate and energy plans, if relevant;</b>	(a) the <b>new</b> challenges identified in relevant country-specific recommendations adopted in 2024 ;	<i>Provisional common understanding</i> (a) the <b>new</b> challenges identified in relevant country-specific recommendations adopted in 2024 ;	II - 34
			<i>Provisional common understanding</i>  <b>(a bis) the progress in implementing the national energy and climate plan, if relevant;</b>	
		<b>(a bis) the progress in implementing the principles of the European Pillar</b>	<i>Provisional common understanding</i>	II - 35

<sup>35</sup> EP position: Recital (14) should be amended as follows: Member States should take account of the contents of their draft National Energy and Climate Plan, to be developed under the Regulation on the Governance of the Energy Union<sup>14</sup> , and the outcome of the process resulting in Union recommendations regarding these plans, for their programmes, **including during the mid-term review**, as well as for the financial needs allocated for low-carbon investments.

Commission proposal COM(2018)375	European Parliament's first reading (27/3/19)	Council position (COREPER partial mandate 15/2/2019)	Compromise proposal, comments	Row
		of Social Rights;	(a ter) the progress in implementing the principles of the European Pillar of Social Rights;	
(b) the socio-economic situation of the Member State or region concerned;	Amendment 119 (b) the socio-economic situation of the Member State or region concerned, <b>including the state of implementation of the European Pillar of Social Rights and territorial needs with a view to reducing disparities, as well as economic and social inequalities;</b>	[no change]	Provisional common understanding  (b) the socio-economic situation of the Member State or region concerned, <b>with special emphasis on territorial needs, taking into account any major negative financial, economic or social development.</b>	II - 36
		(b bis) the results from relevant evaluations;	Provisional common understanding  (b bis) the main results of relevant evaluations;	II - 37
(c) the progress in achieving the milestones;	[no change]	(c) the progress in achieving the milestones, <b>taking into account any difficulties encountered in the implementation of the programme;</b>	Provisional common understanding  (c) the progress in achieving the milestones, <b>taking into account major difficulties encountered in the implementation of the programme;</b>	II - 38
(d) the outcome of the technical adjustment as set out in Article 104(2), where applicable.	[no change]	[no change]	Provisional common understanding  (d) the outcome of the technical adjustment as set out in Article 104(2), where applicable.	II - 39

Commission proposal COM(2018)375	European Parliament's first reading (27/3/19)	Council position (COREPER partial mandate 15/2/2019)	Compromise proposal, comments	Row
	<u>Amendment 120</u>  <i>(d a) any major negative financial, economic or social developments which require an adjustment of the programmes, including as a consequence of symmetric or asymmetric shocks in the Member States and their regions.</i>		<i>Provisional common understanding</i>  <i>[EP amendment withdrawn]</i>	II - 40
<p>2. The Member State shall submit to the Commission by 31 March 2025 a request for the amendment of each programme in accordance with Article 19(1). The Member State shall justify the amendment on the basis of the elements set out in paragraph 1.</p>	<u>Amendment 121</u>  <i>In accordance with the outcome of the review, the Member State shall submit to the Commission by 31 March 2025 a request for the amendment of each programme in accordance with Article 19(1) or state that no amendment is requested. The Member State shall justify the amendment on the basis of the elements set out in paragraph 1 or, as appropriate, give reasons for not requesting the amendment of a programme.</i>	<p><del>21a.</del> The Member State shall submit <b>an assessment for each programme on the outcome of the mid-term review, including a proposal for the definitive allocation of the flexibility amount referred to in the second subparagraph of Article 80(1)</b>, to the Commission by 31 March 2025 <del>a request for the amendment of each programme in accordance with Article 19(1). The Member State shall justify the amendment on the basis of the elements set out in paragraph 1.</del></p>	<i>Provisional common understanding</i>  <p><b>21a (new).</b> The Member State shall submit <b>an assessment for each programme on the outcome of the mid-term review, including a proposal for the definitive allocation of the flexibility amount referred to in the second subparagraph of Article 80(1)</b>, to the Commission by 31 March 2025.</p>	II - 41

Commission proposal COM(2018)375	European Parliament's first reading (27/3/19)	Council position (COREPER partial mandate 15/2/2019)	Compromise proposal, comments	Row
		<b>2. If deemed necessary following the mid-term review of the programme or, in case new challenges were identified pursuant to point (a) of paragraph 1, the Member State shall submit to the Commission the assessment referred to in paragraph 1a together with the amended programme.</b>	<i>Provisional common understanding</i>  <b>2. If deemed necessary following the mid-term review of the programme or, in case new challenges were identified pursuant to point (a) of paragraph 1, the Member State shall submit to the Commission the assessment referred to in paragraph 1a together with the amended programme.</b>	II - 42
The revised programme shall include:	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding</i>  <i>[No change]</i>	II - 43
(a) the allocations of the financial resources by priority including the amounts for the years 2026 and 2027;	<u>Amendment 122</u> (a) the <b>revised initial</b> allocations of the financial resources by priority including the amounts for the years 2026 and 2027;	(a) the allocations of the financial resources by priority <del>including the amounts for the years 2026 and 2027;</del>	<i>Provisional common understanding</i>  (a) the allocations of the financial resources by priority;	II - 44
(b) revised or new targets;	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding</i>  (b) revised or new targets;	II - 45
	<u>Amendment 123</u> <b>(b a) the amounts to be contributed to InvestEU per Fund and per category of region, where appropriate;</b>		<i>Provisional common understanding</i>  <b>[(b a) the amounts to be contributed to InvestEU per Fund and per category of region, where</b>	II - 46

Commission proposal COM(2018)375	European Parliament's first reading (27/3/19)	Council position (COREPER partial mandate 15/2/2019)	Compromise proposal, comments	Row
			appropriate;]	
(c) the revised allocations of the financial resources resulting from the technical adjustment set out in Article 104(2) including the amounts for the years 2025, 2026 and 2027, where applicable.	[no change]	[no change]	Provisional common understanding  (c) the revised allocations of the financial resources resulting from the technical adjustment set out in Article 104(2) including the amounts for the years 2025, 2026 and 2027, where applicable.	II - 47
		The Commission shall approve the amendment of the programme in accordance with Article 19, including a definitive allocation of the flexibility amount.	Provisional common understanding  The Commission shall approve the amendment of the programme in accordance with Article 19, including a definitive allocation of the flexibility amount.	II - 48
3. Where as a result of the review a new programme is submitted, the financing plan under point (ii) of Article 17(3)(f) shall cover the total financial appropriation for each of the Funds as of the year of the programme approval.	[no change]	3. Where, as a result of the mid-term review a new programme is submitted, the financing plan under point (ii) of Article 17(3)(f) shall cover the total financial appropriation for each of the Funds as of the year of Member State approval does not need to be amended, the Commission shall:	Provisional common understanding  3. Where, as a result of the mid-term review a new programme is submitted, the financing plan under point (ii) of Article 17(3)(f) shall cover the total financial appropriation for each of the Funds as of the year of Member State considers that the programme approval does not need to be amended, the Commission shall:	II - 49

<b>Commission proposal COM(2018)375</b>	<b>European Parliament's first reading (27/3/19)</b>	<b>Council position (COREPER partial mandate 15/2/2019)</b>	<b>Compromise proposal, comments</b>	<b>Row</b>
		<b>a) either adopt a decision within three months of the submission of this assessment confirming the definitive allocation of the flexibility amount referred to in the second subparagraph of Article 80(1) or;</b>	<i>Provisional common understanding</i> <b>a) either adopt a decision within three months of the submission of this assessment confirming the definitive allocation of the flexibility amount referred to in the second subparagraph of Article 80(1) or;</b>	<b>II - 50</b>
		<b>b) request the Member State within two months of the submission of this assessment to submit an amended programme in accordance with Article 19;</b>	<i>Provisional common understanding</i> <b>b) request the Member State within two months of the submission of this assessment to submit an amended programme in accordance with Article 19;</b>	<b>II - 51</b>
		<b>3a. Until the adoption of the Commission decision confirming the definitive allocation of the flexibility amount as referred to in paragraph 1a, this amount shall not be available for selection of operations.</b>	<i>Provisional common understanding</i> <b>3a. Until the adoption of the Commission decision confirming the definitive allocation of the flexibility amount as referred to in paragraph 1a, this amount shall not be available for selection of operations.</b>	<b>II - 52</b>
		<b>4. In 2026, the Commission shall prepare a report about the outcome of the mid-term review and submit it to the European Parliament and</b>	<i>Provisional common understanding</i> <b>4. In 2026, the Commission shall prepare a report about the outcome</b>	<b>II - 53</b>

Commission proposal COM(2018)375	European Parliament's first reading (27/3/19)	Council position (COREPER partial mandate 15/2/2019)	Compromise proposal, comments	Row
		to the Council.	of the mid-term review and submit it to the European Parliament and to the Council.	
	<u>Amendment 124</u>  <b>3 a. The Commission shall, by 31 March 2026, adopt a report summarising the results of the review referred to in paragraphs 1 and 2. The Commission shall communicate the report to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions.</b>		<i>Provisional common understanding</i>  <i>[EP amendment withdrawn]</i>	II - 54
CHAPTER III Measures linked to sound economic governance	<del>CHAPTER III</del> <del>Measures linked to sound economic governance</del>	[no change]		II - 55
<i>Article 15</i> <i>Measures linking effectiveness of Funds to sound economic governance</i>	<u>Amendments 425/rev, 444/rev, 448 and 469</u>  <del><i>Article 15</i></del> <del><i>Measures linking effectiveness of Funds to sound economic governance</i></del> <del>36</del>	Article 15 Measures linking effectiveness of Funds to sound economic governance 37	<i>To be left for later when the Council will have a mandate</i>	II - 56

<sup>36</sup> EP position: deletion of Article 15 entails deletion of Recital (20).

<sup>37</sup> Council position: The Council does not have yet a mandate on Article 15 of the Common Provisions Regulation.



<b>Commission proposal COM(2018)375</b>	<b>European Parliament's first reading (27/3/19)</b>	<b>Council position (COREPER partial mandate 15/2/2019)</b>	<b>Compromise proposal, comments</b>	<b>Row</b>
1. The Commission may request a Member State to review and propose amendments to relevant programmes, where this is necessary to support the implementation of relevant Council Recommendations.	<del>1. The Commission may request a Member State to review and propose amendments to relevant programmes, where this is necessary to support the implementation of relevant Council Recommendations.</del>			II - 57
Such a request may be made for the following purposes:	<del>Such a request may be made for the following purposes:</del>			II - 58
(a) to support the implementation of a relevant country-specific recommendation adopted in accordance with Article 121(2) TFEU and of a relevant Council recommendation adopted in accordance with Article 148(4) TFEU, addressed to the Member State concerned;	<del>(a) to support the implementation of a relevant country-specific recommendation adopted in accordance with Article 121(2) TFEU and of a relevant Council recommendation adopted in accordance with Article 148(4) TFEU, addressed to the Member State concerned;</del>			II - 59
(b) to support the implementation of relevant Council Recommendations addressed to the Member State concerned and adopted in accordance with Articles 7(2) or 8(2) of Regulation (EU) No 1176/2011 <sup>38</sup> of the European Parliament and of the	<del>(b) to support the implementation of relevant Council Recommendations addressed to the Member State concerned and adopted in accordance with Articles 7(2) or 8(2) of Regulation (EU) No 1176/2011<sup>39</sup> of the European Parliament and of the</del>			II - 60

<sup>38</sup> Regulation (EU) No 1176/2011 of the European Parliament and of the Council of 16 November 2011 on the prevention and correction of macroeconomic imbalances (OJ L 306, 23.11.2011, p. 25).

<sup>39</sup> Regulation (EU) No 1176/2011 of the European Parliament and of the Council of 16 November 2011 on the prevention and correction of macroeconomic imbalances (OJ L 306, 23.11.2011, p. 25).

<b>Commission proposal COM(2018)375</b>	<b>European Parliament's first reading (27/3/19)</b>	<b>Council position (COREPER partial mandate 15/2/2019)</b>	<b>Compromise proposal, comments</b>	<b>Row</b>
Council provided that these amendments are deemed necessary to help correct the macro-economic imbalances.	<del>Council provided that these amendments are deemed necessary to help correct the macro-economic imbalances.</del>			
2. A request by the Commission to a Member State in accordance with paragraph 1 shall be justified, with reference to the need to support the implementation of the relevant recommendations and shall indicate the programmes or priorities which it considers are concerned and the nature of the amendments expected.	<del>2. A request by the Commission to a Member State in accordance with paragraph 1 shall be justified, with reference to the need to support the implementation of the relevant recommendations and shall indicate the programmes or priorities which it considers are concerned and the nature of the amendments expected.</del>			II - 61
3. The Member State shall submit its response to the request referred to in paragraph 1 within two months of its receipt, setting out the amendments it considers necessary in the relevant programmes, the reasons for such amendments, identifying the programmes concerned and outlining the nature of the amendments proposed and their expected effects on the implementation of recommendations and on the implementation of the Funds. If necessary, the Commission shall make observations within one month of the receipt of that response.	<del>3. The Member State shall submit its response to the request referred to in paragraph 1 within two months of its receipt, setting out the amendments it considers necessary in the relevant programmes, the reasons for such amendments, identifying the programmes concerned and outlining the nature of the amendments proposed and their expected effects on the implementation of recommendations and on the implementation of the Funds. If necessary, the Commission shall make observations within one month of the receipt of that response.</del>			II - 62

<b>Commission proposal COM(2018)375</b>	<b>European Parliament's first reading (27/3/19)</b>	<b>Council position (COREPER partial mandate 15/2/2019)</b>	<b>Compromise proposal, comments</b>	<b>Row</b>
4. The Member State shall submit a proposal to amend the relevant programmes within two months of the date of submission of the response referred to in paragraph 3.	<del>4. The Member State shall submit a proposal to amend the relevant programmes within two months of the date of submission of the response referred to in paragraph 3.</del>			II - 63
5. Where the Commission has not submitted observations or where it is satisfied that any observations submitted have been duly taken into account, it shall adopt a decision approving the amendments to the relevant programmes in accordance with the time limit set out in Article [19(4)].	<del>5. Where the Commission has not submitted observations or where it is satisfied that any observations submitted have been duly taken into account, it shall adopt a decision approving the amendments to the relevant programmes in accordance with the time limit set out in Article [19(4)].</del>			II - 64
6. Where the Member State fails to take effective action in response to a request made in accordance with paragraph 1, within the deadlines set out in paragraphs 3 and 4, the Commission may suspend all or part of the payments for the programmes or priorities concerned in accordance with Article 91.	<del>6. Where the Member State fails to take effective action in response to a request made in accordance with paragraph 1, within the deadlines set out in paragraphs 3 and 4, the Commission may suspend all or part of the payments for the programmes or priorities concerned in accordance with Article 91.</del>			II - 65
7. The Commission shall make a proposal to the Council to suspend all or part of the commitments or payments for one or more of the programmes of a Member State in the	<del>7. The Commission shall make a proposal to the Council to suspend all or part of the commitments or payments for one or more of the programmes of a Member State in the</del>			II - 66

<b>Commission proposal COM(2018)375</b>	<b>European Parliament's first reading (27/3/19)</b>	<b>Council position (COREPER partial mandate 15/2/2019)</b>	<b>Compromise proposal, comments</b>	<b>Row</b>
following cases:	following cases:			
(a) where the Council decides in accordance with Article 126(8) or Article 126(11) TFEU that a Member State has not taken effective action to correct its excessive deficit;	<del>(a) where the Council decides in accordance with Article 126(8) or Article 126(11) TFEU that a Member State has not taken effective action to correct its excessive deficit;</del>			II - 67
(b) where the Council adopts two successive recommendations in the same imbalance procedure, in accordance with Article 8(3) of Regulation (EU) No 1176/2011 of the European Parliament and of the Council <sup>40</sup> on the grounds that a Member State has submitted an insufficient corrective action plan;	<del>(b) where the Council adopts two successive recommendations in the same imbalance procedure, in accordance with Article 8(3) of Regulation (EU) No 1176/2011 of the European Parliament and of the Council <sup>41</sup> on the grounds that a Member State has submitted an insufficient corrective action plan;</del>			II - 68
(c) where the Council adopts two successive decisions in the same imbalance procedure in accordance with Article 10(4) of Regulation (EU) No 1176/2011 establishing non-compliance by a Member State on the grounds that it has not taken the recommended corrective action;	<del>(c) where the Council adopts two successive decisions in the same imbalance procedure in accordance with Article 10(4) of Regulation (EU) No 1176/2011 establishing non-compliance by a Member State on the grounds that it has not taken the recommended corrective action;</del>			II - 69

<sup>40</sup> Regulation (EU) No 1176/2011 of the European Parliament and of the Council of 16 November 2011 on the prevention and correction of macroeconomic imbalances (OJ L 306, 23.11.2011, p. 25).

<sup>41</sup> Regulation (EU) No 1176/2011 of the European Parliament and of the Council of 16 November 2011 on the prevention and correction of macroeconomic imbalances (OJ L 306, 23.11.2011, p. 25).

<b>Commission proposal COM(2018)375</b>	<b>European Parliament's first reading (27/3/19)</b>	<b>Council position (COREPER partial mandate 15/2/2019)</b>	<b>Compromise proposal, comments</b>	<b>Row</b>
(d) where the Commission concludes that a Member State has not taken measures as referred to in Council Regulation (EC) No 332/2002 <sup>42</sup> and as a consequence decides not to authorise the disbursement of the financial assistance granted to that Member State;	<del>(d) where the Commission concludes that a Member State has not taken measures as referred to in Council Regulation (EC) No 332/2002<sup>43</sup> and as a consequence decides not to authorise the disbursement of the financial assistance granted to that Member State;</del>			II - 70
(e) where the Council decides that a Member State does not comply with the macro-economic adjustment programme referred to in Article 7 of Regulation (EU) No 472/2013 of the European Parliament and of the Council <sup>44</sup> , or with the measures requested by a Council decision adopted in accordance with Article 136(1) TFEU.	<del>(e) where the Council decides that a Member State does not comply with the macro-economic adjustment programme referred to in Article 7 of Regulation (EU) No 472/2013 of the European Parliament and of the Council<sup>45</sup>, or with the measures requested by a Council decision adopted in accordance with Article 136(1) TFEU.</del>			II - 71
Priority shall be given to the suspension of commitments; payments shall be suspended only when	<del>Priority shall be given to the suspension of commitments; payments shall be suspended only when</del>			II - 72

<sup>42</sup> Council Regulation (EC) No 332/2002 of 18 February 2002 establishing a facility providing medium-term financial assistance for Member States' balances of payments (OJ L 53, 23.2.2002).

<sup>43</sup> Council Regulation (EC) No 332/2002 of 18 February 2002 establishing a facility providing medium-term financial assistance for Member States' balances of payments (OJ L 53, 23.2.2002).

<sup>44</sup> Regulation (EU) No 472/2013 of the European Parliament and of the Council of 21 May 2013 on the strengthening of economic and budgetary surveillance of Member States in the euro area experiencing or threatened with serious difficulties with respect to their financial stability (OJ L 140, 27.5.2013, p. 1).

<sup>45</sup> Regulation (EU) No 472/2013 of the European Parliament and of the Council of 21 May 2013 on the strengthening of economic and budgetary surveillance of Member States in the euro area experiencing or threatened with serious difficulties with respect to their financial stability (OJ L 140, 27.5.2013, p. 1).

<b>Commission proposal COM(2018)375</b>	<b>European Parliament's first reading (27/3/19)</b>	<b>Council position (COREPER partial mandate 15/2/2019)</b>	<b>Compromise proposal, comments</b>	<b>Row</b>
immediate action is sought and in the case of significant non-compliance. The suspension of payments shall apply to payment applications submitted for the programmes concerned after the date of the decision to suspend.	<del>immediate action is sought and in the case of significant non-compliance. The suspension of payments shall apply to payment applications submitted for the programmes concerned after the date of the decision to suspend.</del>			
The Commission may, on grounds of exceptional economic circumstances or following a reasoned request by the Member State concerned addressed to the Commission within 10 days of adoption of the decision or recommendation referred to in the previous sub-paragraph, recommend that the Council cancel the suspension referred to in the same sub-paragraph.	<del>The Commission may, on grounds of exceptional economic circumstances or following a reasoned request by the Member State concerned addressed to the Commission within 10 days of adoption of the decision or recommendation referred to in the previous sub-paragraph, recommend that the Council cancel the suspension referred to in the same sub-paragraph.</del>			II - 73
8. A proposal by the Commission for the suspension of commitments shall be deemed adopted by the Council unless the Council decides, by means of an implementing act, to reject such a proposal by qualified majority within one month of the submission of the Commission proposal.	<del>8. A proposal by the Commission for the suspension of commitments shall be deemed adopted by the Council unless the Council decides, by means of an implementing act, to reject such a proposal by qualified majority within one month of the submission of the Commission proposal.</del>			II - 74
The suspension of commitments shall apply to the commitments from the Funds for the Member State concerned from 1 January of the year following	<del>The suspension of commitments shall apply to the commitments from the Funds for the Member State concerned from 1 January of the year following</del>			II - 75

<b>Commission proposal COM(2018)375</b>	<b>European Parliament's first reading (27/3/19)</b>	<b>Council position (COREPER partial mandate 15/2/2019)</b>	<b>Compromise proposal, comments</b>	<b>Row</b>
the decision to suspend.	<del>the decision to suspend.</del>			
The Council shall adopt a decision, by means of an implementing act, on a proposal by the Commission referred to in paragraph 7 in relation to the suspension of payments.	<del>The Council shall adopt a decision, by means of an implementing act, on a proposal by the Commission referred to in paragraph 7 in relation to the suspension of payments.</del>			II - 76
9. The scope and level of the suspension of commitments or payments to be imposed shall be proportionate, shall respect the equality of treatment between Member States and shall take into account the economic and social circumstances of the Member State concerned, in particular the level of unemployment, the level of poverty or social exclusion of the Member State concerned in relation to the Union average and the impact of the suspension on the economy of the Member State concerned. The impact of suspensions on programmes of critical importance to address adverse economic or social conditions shall be a specific factor to be taken into account.	<del>9. The scope and level of the suspension of commitments or payments to be imposed shall be proportionate, shall respect the equality of treatment between Member States and shall take into account the economic and social circumstances of the Member State concerned, in particular the level of unemployment, the level of poverty or social exclusion of the Member State concerned in relation to the Union average and the impact of the suspension on the economy of the Member State concerned. The impact of suspensions on programmes of critical importance to address adverse economic or social conditions shall be a specific factor to be taken into account.</del>			II - 77
10. The suspension of commitments shall be subject to a maximum of 25 % of the commitments relating to the next calendar year for the Funds or	<del>10. The suspension of commitments shall be subject to a maximum of 25 % of the commitments relating to the next calendar year for the Funds or</del>			II - 78

<b>Commission proposal COM(2018)375</b>	<b>European Parliament's first reading (27/3/19)</b>	<b>Council position (COREPER partial mandate 15/2/2019)</b>	<b>Compromise proposal, comments</b>	<b>Row</b>
0,25 % of nominal GDP whichever is lower, in any of the following cases:	<del>0,25 % of nominal GDP whichever is lower, in any of the following cases:</del>			
(a) in the first case of non-compliance with an excessive deficit procedure as referred to under point (a) of paragraph 7;;	<del>(a) in the first case of non-compliance with an excessive deficit procedure as referred to under point (a) of paragraph 7;;</del>			II - 79
(b) in the first case of non-compliance relating to a corrective action plan under an excessive imbalance procedure as referred to under point b of paragraph 7;	<del>(b) in the first case of non-compliance relating to a corrective action plan under an excessive imbalance procedure as referred to under point b of paragraph 7;</del>			II - 80
(c) in case of non-compliance with the recommended corrective action pursuant to an excessive imbalance procedure as referred to under point (c) of paragraph 7;	<del>(c) in case of non-compliance with the recommended corrective action pursuant to an excessive imbalance procedure as referred to under point (c) of paragraph 7;</del>			II - 81
(d) in the first case of non-compliance as referred to under points (d) and (e) of paragraph 7.	<del>(d) in the first case of non-compliance as referred to under points (d) and (e) of paragraph 7.</del>			II - 82
In case of persistent non-compliance, the suspension of commitments may exceed the maximum percentages set out in the first sub-paragraph.	<del>In case of persistent non-compliance, the suspension of commitments may exceed the maximum percentages set out in the first sub-paragraph.</del>			II - 83
11. The Council shall lift the suspension of commitments on a proposal from the Commission, in	<del>11. The Council shall lift the suspension of commitments on a proposal from the Commission, in</del>			II - 84



<b>Commission proposal COM(2018)375</b>	<b>European Parliament's first reading (27/3/19)</b>	<b>Council position (COREPER partial mandate 15/2/2019)</b>	<b>Compromise proposal, comments</b>	<b>Row</b>
accordance with the procedure set out in paragraph 8, in the following cases:	<del>accordance with the procedure set out in paragraph 8, in the following cases:</del>			
(a) where the excessive deficit procedure is held in abeyance in accordance with Article 9 of Council Regulation (EC) No 1467/97 <sup>46</sup> or the Council has decided in accordance with Article 126(12) TFEU to abrogate the decision on the existence of an excessive deficit;	<del>(a) where the excessive deficit procedure is held in abeyance in accordance with Article 9 of Council Regulation (EC) No 1467/97<sup>47</sup> or the Council has decided in accordance with Article 126(12) TFEU to abrogate the decision on the existence of an excessive deficit;</del>			II - 85
(b) where the Council has endorsed the corrective action plan submitted by the Member State concerned in accordance with Article 8(2) of Regulation (EU) No 1176/2011 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;	<del>(b) where the Council has endorsed the corrective action plan submitted by the Member State concerned in accordance with Article 8(2) of Regulation (EU) No 1176/2011 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;</del>			II - 86

<sup>46</sup> Council Regulation (EC) No 1467/97 of 7 July 1997 on speeding up and clarifying the implementation of the excessive deficit procedure (OJ L 209, 2.8.1997, p. 6).

<sup>47</sup> Council Regulation (EC) No 1467/97 of 7 July 1997 on speeding up and clarifying the implementation of the excessive deficit procedure (OJ L 209, 2.8.1997, p. 6).

<b>Commission proposal COM(2018)375</b>	<b>European Parliament's first reading (27/3/19)</b>	<b>Council position (COREPER partial mandate 15/2/2019)</b>	<b>Compromise proposal, comments</b>	<b>Row</b>
(c) where the Commission has concluded that a Member State has taken appropriate measures as referred to in Regulation (EC) No 332/2002;	<del>(c) where the Commission has concluded that a Member State has taken appropriate measures as referred to in Regulation (EC) No 332/2002;</del>			II - 87
(d) where the Commission has concluded that the Member State concerned has taken appropriate measures to implement the adjustment programme referred to in Article 7 of Regulation (EU) No 472/2013 or the measures requested by a decision of the Council in accordance with Article 136(1) TFEU.	<del>(d) where the Commission has concluded that the Member State concerned has taken appropriate measures to implement the adjustment programme referred to in Article 7 of Regulation (EU) No 472/2013 or the measures requested by a decision of the Council in accordance with Article 136(1) TFEU.</del>			II - 88
After the Council has lifted the suspension of commitments, the Commission shall re-budget the suspended commitments in accordance with Article [8] of Council Regulation (EU, Euratom) [ [...] (MFF regulation)].	<del>After the Council has lifted the suspension of commitments, the Commission shall re-budget the suspended commitments in accordance with Article [8] of Council Regulation (EU, Euratom) [ [...] (MFF regulation)].</del>			II - 89
Suspended commitments may not be re-budgeted beyond the year 2027.	<del>Suspended commitments may not be re-budgeted beyond the year 2027.</del>			II - 90
The decommitment time limit for the re-budgeted amount in accordance with Article 99 shall start from the year in which the suspended commitment has been re-budgeted.	<del>The decommitment time limit for the re-budgeted amount in accordance with Article 99 shall start from the year in which the suspended commitment has been re-budgeted.</del>			II - 91

<b>Commission proposal COM(2018)375</b>	<b>European Parliament's first reading (27/3/19)</b>	<b>Council position (COREPER partial mandate 15/2/2019)</b>	<b>Compromise proposal, comments</b>	<b>Row</b>
A decision concerning the lifting of the suspension of payments shall be taken by the Council on a proposal by the Commission where the applicable conditions set out in in the first sub-paragraph are fulfilled.	<del>A decision concerning the lifting of the suspension of payments shall be taken by the Council on a proposal by the Commission where the applicable conditions set out in in the first sub-paragraph are fulfilled.</del>			II - 92
12. The Commission shall keep the European Parliament informed of the implementation of this Article. In particular, the Commission shall, when one of the conditions set out in paragraph 7 is fulfilled for a Member State, immediately inform the European Parliament and provide details of the Funds and programmes which could be subject to a suspension of commitments.	<del>12. The Commission shall keep the European Parliament informed of the implementation of this Article. In particular, the Commission shall, when one of the conditions set out in paragraph 7 is fulfilled for a Member State, immediately inform the European Parliament and provide details of the Funds and programmes which could be subject to a suspension of commitments.</del>			II - 93
The European Parliament may invite the Commission for a structured dialogue on the application of this Article, having regard to the transmission of the information referred to in the first sub-paragraph.	<del>The European Parliament may invite the Commission for a structured dialogue on the application of this Article, having regard to the transmission of the information referred to in the first sub-paragraph.</del>			II - 94
The Commission shall transmit the proposal for suspension of commitments or the proposal to lift such a suspension, to the European Parliament and to the Council.	<del>The Commission shall transmit the proposal for suspension of commitments or the proposal to lift such a suspension, to the European Parliament and to the Council.</del>			II - 95

<b>Commission proposal COM(2018)375</b>	<b>European Parliament's first reading (27/3/19)</b>	<b>Council position (COREPER partial mandate 15/2/2019)</b>	<b>Compromise proposal, comments</b>	<b>Row</b>
13. Paragraphs 1 to 12 shall not apply to priorities or programmes under Article [4(c)(v)(ii)] of ESF+ Regulation.	<del>13. Paragraphs 1 to 12 shall not apply to priorities or programmes under Article [4(c)(v)(ii)] of ESF+ Regulation.</del>			II - 96

**COMMON PROVISIONS REGULATION - BLOCK 5: Management and Control (Articles 63-79)**

<b>Commission proposal COM(2018)375</b>	<b>European Parliament position (EP amendments) <i>(Plenary mandate 13/2/19)</i></b>	<b>Council position <i>(Coreper mandate 19/12/18)</i></b>	<b>Compromise proposal, comments</b>	<b>Row</b>
<b>TITLE VI MANAGEMENT AND CONTROL</b>	<i>[No change]</i>	<i>[No change]</i>	<i>Provisional common understanding</i> <i>[No change]</i>	V-1
<b>CHAPTER I General rules on management and control</b>	<i>[No change]</i>	<i>[No change]</i>	<i>Provisional common understanding</i> <i>[No change]</i>	V-2
<i>Article 63 Responsibilities of Member States</i>	<i>[No change]</i>	<i>[No change]</i>	<i>Provisional common understanding</i> <i>[No change]</i>	V-3
1. Member States shall have management and control systems for their programmes in accordance with this Title and ensure their functioning in accordance with sound financial management and the key requirements listed in Annex X.	<i>[No change]</i>	<i>[No change]</i>	<i>Provisional common understanding</i> <i>[No change]</i>	V-4

Commission proposal COM(2018)375	European Parliament position (EP amendments) (Plenary mandate 13/2/19)	Council position (Coreper mandate 19/12/18)	Compromise proposal, comments	Row
2. Member States shall ensure the legality and regularity of expenditure included in the accounts submitted to the Commission and shall take all required actions to prevent, detect and correct and report on irregularities including fraud.	<u>Amendment 272</u>  2. Member States shall ensure the legality and regularity of expenditure included in the accounts submitted to the Commission and shall take all required actions to prevent, detect and correct and report on irregularities including fraud. <b><i>Member States shall fully cooperate with OLAF.</i></b> <sup>48</sup>	[No change]	<i>Provisional common understanding</i>  2. Member States shall ensure the legality and regularity of expenditure included in the accounts submitted to the Commission and shall take all required actions to prevent, detect and correct and report on irregularities including fraud.  <i>Addition to recital 58:</i>  Recital (58) “[...] <b>Member States should cooperate with the Commission, OLAF, the Court of Auditors and, where applicable, the EPPO, in accordance with point (d) of Article 63(2) of Regulation [...] Financial Regulation on all matters related to suspected or established fraud.</b> ”	V-5

<sup>48</sup> EP position: The last sentence of recital (58) is amended and completed as follows: (58) (...) Member States should ***provide a detailed*** report to the Commission on detected irregularities including fraud, and on their follow-up as well as on the follow-up of OLAF investigations. ***Member States that do not participate in the enhanced cooperation with the EPPO should report to the Commission on decisions taken by national prosecution authorities in relation to cases of irregularities affecting the Union budget.***

Commission proposal <b>COM(2018)375</b>	European Parliament position (EP amendments) <i>(Plenary mandate 13/2/19)</i>	Council position <i>(Coreper mandate 19/12/18)</i>	Compromise proposal, comments	Row
3. Member States shall, upon request of the Commission, take the actions necessary to ensure the effective functioning of their management and control systems and the legality and regularity of expenditure submitted to the Commission. Where that action is an audit, the Commission officials or their authorised representatives may take part.	[No change]	[No change]	Provisional common understanding  [No change]	V-6
4. Member States shall ensure the quality and reliability of the monitoring system and of data on indicators.	<u>Amendment 273</u>  4. Member States shall ensure the quality, <b>independence</b> and reliability of the monitoring system and of data on indicators.	[No change]	Provisional common understanding  4. Member States shall ensure the quality, <b>accuracy</b> and reliability of the monitoring system and of data on indicators.	V-7
5. Member States shall have systems and procedures to ensure that all documents required for the audit trail asset out in Annex XI are kept in accordance with the requirements set out in Article 76.	[No change]	5. Member States shall have systems and procedures to ensure that all documents required for the audit trail <del>asset</del> <b>as set</b> out in Annex XI are kept in accordance with the requirements set out in Article 76.	Provisional common understanding  5. Member States shall have systems and procedures to ensure that all documents required for the audit trail <del>asset</del> <b>as set</b> out in Annex XI are kept in accordance with the requirements set out in Article 76.	V-8
6. Member Stated shall make arrangements for ensuring the effective examination of complaints concerning the Funds. They shall, upon request by	<u>Amendment 274</u>  Member States shall make arrangements for ensuring the	6. Member <del>Stated</del> <b>States</b> shall make arrangements for ensuring the effective examination of complaints concerning the Funds. <del>They</del> <b>The</b>	Provisional common understanding:  6. Member <del>Stated</del> <b>States</b> shall make arrangements for ensuring the effective	V-9

Commission proposal COM(2018)375	European Parliament position (EP amendments) <i>(Plenary mandate 13/2/19)</i>	Council position <i>(Coreper mandate 19/12/18)</i>	Compromise proposal, comments	Row
the Commission, examine complaints submitted to the Commission falling within the scope of their programmes and shall inform the Commission of the results of those examinations.	effective examination of complaints concerning the Funds. <b><i>The scope, rules and procedures concerning those arrangements shall be the responsibility of Member States in accordance with their institutional and legal framework.</i></b> They shall, upon request by the Commission <b><i>in accordance with Article 64(4a)</i></b> , examine complaints submitted to the Commission falling within the scope of their programmes and shall inform the Commission of the results of those examinations.	<b>scope, rules and procedures concerning such arrangements shall be the responsibility of Member States in accordance with their institutional and legal framework.</b> Member States shall, upon request by the Commission, examine complaints submitted to the Commission falling within the scope of their programmes and shall inform the Commission of the results of those examinations.	examination of complaints concerning the Funds. <del>They</del> <b>The scope, rules and procedures concerning such arrangements shall be the responsibility of Member States in accordance with their institutional and legal framework. This is without prejudice to the general possibility to address complaints to the Commission by citizens and stakeholders.</b> Member States shall, upon request by the Commission, examine complaints submitted to the Commission falling within the scope of their programmes and shall inform the Commission of the results of those examinations.	
For the purposes of this Article, complaints cover any dispute between potential and selected beneficiaries with regard to the proposed or selected operation and any disputes with third parties on the implementation of the programme or operations thereunder, irrespective of the qualification of means of legal redress established under national law.	<i>[No change]</i>	<del>For the purposes of this Article, complaints cover any dispute between potential and selected beneficiaries with regard to the proposed or selected operation and any disputes with third parties on the implementation of the programme or operations thereunder, irrespective of the qualification of means of legal redress established under national law.</del>	<i>Provisional common understanding</i>  For the purposes of this Article, complaints cover any dispute between potential and selected beneficiaries with regard to the proposed or selected operation and any disputes with third parties on the implementation of the programme or operations thereunder, irrespective of the qualification of means of legal redress established under national law.	V-10



Commission proposal <b>COM(2018)375</b>	European Parliament position (EP amendments) <i>(Plenary mandate 13/2/19)</i>	Council position <i>(Coreper mandate 19/12/18)</i>	Compromise proposal, comments	Row
7. Member States shall ensure that all exchanges of information between beneficiaries and the programme authorities are carried out by means of electronic data exchange systems in accordance with Annex XII.	<u>Amendment 275</u>  Member States shall ensure that all exchanges of information between beneficiaries and the programme authorities are carried out by means of <b>user-friendly</b> electronic data exchange systems in accordance with Annex XII.	7. Member States shall ensure that all exchanges of information between beneficiaries and the programme authorities <del>are</del> <b>can be</b> carried out by means of electronic data exchange systems in accordance with Annex XII.	<i>Provisional common understanding</i>  7. Member States shall ensure that all exchanges of information between beneficiaries and the programme authorities are carried out by means of electronic data exchange systems in accordance with Annex XII.  <b>Member States shall promote the benefits of electronic data exchange and provide all necessary support to beneficiaries in this respect.</b>  <b>By way of derogation from the first subparagraph, upon the explicit request of a beneficiary, the managing authority may exceptionally accept the exchanges of information in paper format, without prejudice to its obligation to record and store data in accordance with Article 66(1)(e).</b>  The title of Section 1 of Annex XII is amended as follows:  “1. Responsibilities of programme authorities regarding the <del>functioning</del> <b>characteristics</b> of electronic data exchange systems”	V-11

Commission proposal <b>COM(2018)375</b>	European Parliament position (EP amendments) <i>(Plenary mandate 13/2/19)</i>	Council position <i>(Coreper mandate 19/12/18)</i>	Compromise proposal, comments	Row
			A new point 1.2bis is added:  “ <b>1.2 bis Ensuring that the system aims to make use of logical, simple and intuitive functions and interface</b> ”	
For programmes supported by the EMFF, the AMIF, the ISF and the BMVI, the first sub-paragraph shall apply as from 1 January 2023.	<u>Amendment 276</u>  For programmes supported by the EMFF, the AMIF, the ISF and the BMVI, the first sub-paragraph shall apply as from 1 January <del>2022</del> 2023.	<i>[No change]</i>	<i>Provisional common understanding</i>  <i>[No change]</i>	V-12
The first sub-paragraph shall not apply to programmes under Article [4(1)(c)(vii)] of the ESF+ Regulation.	<u>Amendment 277</u>  The first sub-paragraph shall not apply to programmes under Article <del>[4(1)(c)(vii)]</del> [4(1)(xi)] of the ESF+ Regulation.	The first sub-paragraph shall not apply to programmes <b>or priorities</b> under Article [4(1)( <del>e</del> )( <del>viii</del> )] of the ESF+ Regulation.	<i>Provisional common understanding</i>  The first sub-paragraph shall not apply to programmes <b>or priorities</b> under Article [4(1)( <del>e</del> )( <del>viii</del> )] of the ESF+ Regulation.	V-13
8. Member States shall ensure that all official exchanges of information with the Commission are carried out by means of an electronic data exchange system in accordance with Annex XIII.	<i>[No change]</i>	<i>[No change]</i>	<i>Provisional common understanding</i>  <i>[No change]</i>	V-14
		<b>8a. The Member State shall provide, or shall ensure that the managing authorities provide, forecasts of the amount for payment applications to be submitted for the current and</b>	<i>Provisional common understanding</i>  <b>8a. The Member State shall provide, or shall ensure that the managing authorities provide, forecasts of the</b>	V-15

Commission proposal COM(2018)375	European Parliament position (EP amendments) (Plenary mandate 13/2/19)	Council position (Coreper mandate 19/12/18)	Compromise proposal, comments	Row
		subsequent calendar year by 31 January and 31 July, in accordance with Annex VII bis.	amount for payment applications to be submitted for the current and subsequent calendar year by 31 January and 31 July, in accordance with Annex VII bis.  * Linked to row V-81. Content of Annex VIIbis to be discussed at a later stage.	
9. Each Member State shall draw up, after the approval of the programme and at the latest by the time of submission of the final payment application for the first accounting year and no later than 30 June 2023, a description of the management and control system in accordance with the template set out in Annex XIV. It shall keep that description updated to reflect any subsequent modifications.	[No change]	9. Each Member State shall <del>draw up,</del> <b>and have in place,</b> after the approval of the programme and at the latest by the time of submission of the final payment application for the first accounting year and no later than 30 June 2023, a description of the management and control system in accordance with the template set out in Annex XIV. It shall keep that description updated to reflect any subsequent modifications.	<i>Provisional common understanding</i>  9. Each Member State shall <del>draw up,</del> <b>and have in place,</b> after the approval of the programme and at the latest by the time of submission of the final payment application for the first accounting year and no later than 30 June 2023, a description of the management and control system in accordance with the template set out in Annex XIV. It shall keep that description updated to reflect any subsequent modifications.	V-16

Commission proposal <b>COM(2018)375</b>	European Parliament position <b>(EP amendments)</b> <i>(Plenary mandate 13/2/19)</i>	Council position <i>(Coreper mandate 19/12/18)</i>	Compromise proposal, comments	Row
10. The Commission is empowered to adopt delegated acts in accordance with Article 107 to supplement paragraph 2 of this Article by setting out the criteria for determining the cases of irregularity to be reported and the data to be provided.	[No change]	<del>10. The Commission is empowered to adopt delegated acts in accordance with Article 107 to supplement paragraph 2 of this Article by</del>  <b>10. Annex YZ is setting out the criteria for determining the cases of irregularity to be reported and the data to be provided: as well as the format to be used for reporting of irregularities.</b>	<i>Provisional common understanding</i>  <del>10. The Commission is empowered to adopt delegated acts in accordance with Article 107 to supplement paragraph 2 of this Article by</del>  <b>Member States shall report on irregularities in accordance with the criteria for determining the cases of irregularity to be reported, the data to be provided and the format for reporting set out in Annex YZ.</b>	V-17
11. The Commission shall adopt an implementing act setting out the format to be used for reporting of irregularities in accordance with the advisory procedure referred to in Article 109(2) in order to ensure uniform conditions for the implementation of this Article.	<u>Amendment 278</u>  11. The Commission shall adopt an implementing act setting out the format to be used for reporting of irregularities in accordance with the advisory procedure referred to in Article 109(2) in order to ensure uniform conditions <b>and rules</b> for the implementation of this Article.	<del>11. The Commission shall adopt an implementing act setting out the format to be used for reporting of irregularities in accordance with the advisory procedure referred to in Article 109(2) in order to ensure uniform conditions for the implementation of this Article.</del>	<i>Provisional common understanding</i>  <del>11. The Commission shall adopt an implementing act setting out the format to be used for reporting of irregularities in accordance with the advisory procedure referred to in Article 109(2) in order to ensure uniform conditions for the implementation of this Article.</del>	V-18

Commission proposal <b>COM(2018)375</b>	European Parliament position (EP amendments) <i>(Plenary mandate 13/2/19)</i>	Council position <i>(Coreper mandate 19/12/18)</i>	Compromise proposal, comments	Row
<i>Article 64</i> <i>Commission powers and responsibilities</i>	<i>[No change]</i>	<i>[No change]</i>	<i>Provisional common understanding</i>  <i>[No change]</i>	V-19
1. The Commission shall satisfy itself that Member States have management and control systems that comply with this Regulation and that those systems function effectively during the implementation of the programmes. The Commission shall draw up an audit strategy and an audit plan which shall be based on a risk-assessment.	<u>Amendment 279</u>  The Commission shall satisfy itself that Member States have management and control systems that comply with this Regulation and that those systems function effectively <b>and efficiently</b> during the implementation of the programmes. The Commission shall draw up <b>for Member States</b> an audit strategy and an audit plan which shall be based on a risk-assessment.	<i>[No change]</i>	<i>Provisional common understanding</i>  The Commission shall satisfy itself that Member States have management and control systems that comply with this Regulation and that those systems function effectively <b>and efficiently</b> during the implementation of the programmes. The Commission shall draw up, <b>for its own audit work</b> , an audit strategy and an audit plan which shall be based on a risk-assessment.	V-20
The Commission and the audit authorities shall coordinate their audit plans.	<i>[No change]</i>	<i>[No change]</i>	<i>Provisional common understanding</i>  <i>[No change]</i>	V-21
2. Commission audits shall be carried out up to three calendar years following the acceptance of the accounts in which the expenditure concerned was included. This period shall not apply to operations where there is a suspicion of fraud.	<u>Amendment 280</u>  2. Commission audits shall be carried out up to <del>three</del> <b>two</b> calendar years following the acceptance of the accounts in which the expenditure concerned was included. This period shall not apply to operations where there is a suspicion of fraud.	<i>[No change]</i>	<i>Provisional common understanding</i>  <i>[No change]</i>	V-22

<b>Commission proposal COM(2018)375</b>	<b>European Parliament position (EP amendments) (Plenary mandate 13/2/19)</b>	<b>Council position (Coreper mandate 19/12/18)</b>	<b>Compromise proposal, comments</b>	<b>Row</b>
3. For the purpose of their audits, Commission officials or their authorised representatives shall have access to all necessary records, documents and metadata, irrespective of the medium in which they are stored, relating to operations supported by the Funds or to management and control systems and shall receive copies in the specific format requested.	[No change]	[No change]	Provisional common understanding  [No change]	V-23
4. For on-the-spot audits, the following shall also apply:	[No change]	[No change]	Provisional common understanding  [No change]	V-24
(a) the Commission shall give at least 12 working days' notice for the audit to the competent programme authority, except in urgent cases. Officials or authorised representatives of the Member State may take part in such audits.	<u>Amendment 281</u>  a) the Commission shall give at least <del>12</del> <b>15</b> working days' notice for the audit to the competent programme authority, except in urgent cases. Officials or authorised representatives of the Member State may take part in such audits.	[No change]	Provisional common understanding  a) the Commission shall give at least <del>12</del> <b>15</b> working days' notice for the audit to the competent programme authority, except in urgent cases. Officials or authorised representatives of the Member State may take part in such audits.	V-25
(b) where the application of national provisions reserves certain acts for agents specifically designated by national legislation, Commission officials and authorised representatives shall have access to the information	[No change]	[No change]	Provisional common understanding  [No change]	V-26

Commission proposal COM(2018)375	European Parliament position (EP amendments) (Plenary mandate 13/2/19)	Council position (Coreper mandate 19/12/18)	Compromise proposal, comments	Row
thus obtained without prejudice to the competences of national courts and in full respect of the fundamental rights of the legal subjects concerned.				
(c) the Commission shall transmit the preliminary audit findings, in at least one of the official languages of the Union, no later than 3 months after the last day of the audit, to the competent Member State authority.	<u>Amendment 282</u>  (c) the Commission shall transmit the preliminary audit findings, in at least one of the official languages of the Union, no later than <del>3</del> 2 months after the last day of the audit, to the competent Member State authority.	(c) the Commission shall transmit the preliminary audit findings, <del>in at least one of the official languages of the Union,</del> no later than 3 months after the last day of the audit, to the competent Member State authority.	<i>Provisional common understanding</i>  (c) the Commission shall transmit the preliminary audit findings, <del>in at least one of the official languages of the Union,</del> no later than 3 months after the last day of the audit, to the competent Member State authority.	V-27
(d) the Commission shall transmit the audit report, in at least one of the official languages of the Union, no later than 3 months from the date of receiving a complete reply from the competent Member State authority to the preliminary audit findings.	<u>Amendment 283</u>  (d) the Commission shall transmit the audit report, in at least one of the official languages of the Union, no later than <del>3</del> 2 months from the date of receiving a complete reply from the competent Member State authority to the preliminary audit findings. <i><b>The Member State's reply shall be considered complete if the Commission has not reported on the existence of outstanding documentation within 2 months.</b></i>	(d) the Commission shall transmit the audit report, <del>in at least one of the official languages of the Union,</del> no later than 3 months from the date of receiving a complete reply from the competent Member State authority to the preliminary audit findings.	<i>Provisional common understanding</i>  (d) the Commission shall transmit the audit report, <del>in at least one of the official languages of the Union,</del> no later than 3 months from the date of receiving a complete reply from the competent Member State authority to the preliminary audit findings. <b>The Member State's reply shall be considered complete in the absence of a request from the Commission to provide further information or a revised document within 2 months from the date of receipt of the Member State's response.</b>	V-28

Commission proposal COM(2018)375	European Parliament position (EP amendments) (Plenary mandate 13/2/19)	Council position (Coreper mandate 19/12/18)	Compromise proposal, comments	Row
The Commission may extend the time limits referred in points (c) and (d) by an additional three months.	<u>Amendment 284</u>  The Commission may <i>in duly justified cases</i> extend the time limits referred in points (c) and (d) by an additional <del>three</del> <b>two</b> months.	<del>The Commission may extend</del> <b>For the purpose of complying with</b> the time limits referred <del>set out</del> in points (c) and (d) <del>by an additional three months.</del> <b>above, the Commission shall make available the preliminary audit findings and the audit report in at least one of the official languages of the institutions of the Union.</b>	<i>Provisional common understanding</i>  <del>The Commission may extend</del> <b>For the purpose of complying with</b> the time limits referred <del>set out</del> in points (c) and (d) <del>by an additional three months.</del> <b>above, the Commission shall make available the preliminary audit findings and the audit report in at least one of the official languages of the institutions of the Union.</b>	V-29
		The time limits referred to in points (c) and (d) may be extended upon agreement between the Commission and the competent Member State authority.	<i>Provisional common understanding</i>  The time limits referred to in points (c) and (d) may be extended when it is deemed necessary and agreed upon between the Commission and the competent Member State authority.	V-30
		Where a time limit is set for a reply by the Member State to the preliminary audit findings or the audit report referred to in points (c) and (d), that time limit shall start upon their receipt by the competent Member State authority in at least one of the official languages of the concerned Member State.	<i>Provisional common understanding</i>  Where a time limit is set for a reply by the Member State to the preliminary audit findings or the audit report referred to in points (c) and (d), that time limit shall start upon their receipt by the competent Member State authority in at least one of the official languages of the	V-31



Commission proposal COM(2018)375	European Parliament position (EP amendments) (Plenary mandate 13/2/19)	Council position (Coreper mandate 19/12/18)	Compromise proposal, comments	Row
			concerned Member State.	
	<u>Amendment 285</u>  <b>4a. Without prejudice to paragraph 6 of Article 63, the Commission shall provide for a complaints handling system which shall be accessible to citizens and stakeholders.</b> <sup>49</sup>		Provisional common understanding  [EP amendment withdrawn]	V-31bis
Article 65 Programme authorities	[No change]	[No change]	Provisional common understanding  [No change]	V-32
1. For the purposes of Article [63(3)] of the Financial Regulation, the Member State shall identify for each programme a managing authority and an audit authority. Where a Member State makes use of the option referred to in Article 66(2), the body concerned shall be identified as a programme authority. Those same authorities may be responsible for more than one programme.	[No change]	1. For the purposes of Article [63(3)] of the Financial Regulation, the Member State shall identify for each programme a managing authority and an audit authority. Where a Member State <del>makes use of</del> <b>entrusts the option referred accounting function to a</b> <del>body other than the managing authority in accordance with</del> Article 66(2), the body concerned shall <b>also</b> be identified as a programme authority. Those same authorities may be responsible for more than one	Provisional common understanding  1. For the purposes of Article [63(3)] of the Financial Regulation, the Member State shall identify for each programme a managing authority and an audit authority. Where a Member State <del>makes use of</del> <b>entrusts the option referred accounting function to a</b> <del>body other than the managing authority in accordance with</del> Article 66(2), the body concerned shall <b>also</b> be identified as a programme authority. Those same authorities may be	V-33

<sup>49</sup> EP position: new Recital (45a) is added, as follows: **(45a) In order to increase accountability and transparency, the Commission should provide for a complaints-handling system accessible to all citizens and stakeholders at all stages of preparation and implementation of programmes including monitoring and evaluation.**

Commission proposal COM(2018)375	European Parliament position (EP amendments) (Plenary mandate 13/2/19)	Council position (Coreper mandate 19/12/18)	Compromise proposal, comments	Row
		programme.	responsible for more than one programme.	
2. The audit authority shall be a public authority, functionally independent from the auditees.	<u>Amendment 286</u>  2. The audit authority shall be a public <b>or private</b> authority, functionally independent from the auditees <b>Management Authority and the bodies or entities to which functions have been entrusted or delegated.</b>	[No change]	<i>Provisional common understanding</i>  2. The audit authority shall be a public authority, <del>functionally independent from the auditees.</del> <b>Audit work may be carried out by a public or private body other than the audit authority under its responsibility. The audit authority and any body carrying out audit work under the responsibility of the audit authority shall be functionally independent from the auditees.</b>	V-34
3. The managing authority may identify one or more intermediate bodies to carry out certain tasks under its responsibility. Arrangements between the managing authority and intermediate bodies shall be recorded in writing.	[No change]	[No change]	<i>Provisional common understanding</i>  [No change]	V-35
4. Member States shall ensure that the principle of separation of functions between and within the programme authorities is respected.	[No change]	[No change]	<i>Provisional common understanding</i>  [No change]	V-36
5. The body implementing the programme co-fund as referred to in	[No change]	5. <del>The body implementing the</del> <b>Where a cohesion policy programme</b>	<i>Provisional common understanding</i>	V-37

Commission proposal <b>COM(2018)375</b>	European Parliament position (EP amendments) <i>(Plenary mandate 13/2/19)</i>	Council position <i>(Coreper mandate 19/12/18)</i>	Compromise proposal, comments	Row
Article [11] of Regulation EU (...) [ <i>Horizon Europe Rules for Participation</i> ] shall be identified as an intermediate body by the managing authority of the relevant programme, in line with paragraph 3.		<b>contributes to</b> a programme co-fund as referred to in Article [448] of Regulation EU (...) [ <i>Horizon Europe Rules for Participation</i> ], <b>the body implementing the programme co-fund</b> shall be identified as an intermediate body by the managing authority of the relevant programme, in line with paragraph 3.	<del>5. The body implementing the</del> <b>Where a programme provides, in line with its objectives, support from the ERDF or the ESF+ to a programme co-funded by Horizon Europe</b> , as referred to in Article [8(1)(b)] of Regulation (...) [ <i>Horizon Europe Rules for Participation and Dissemination</i> ], <b>the body implementing the programme co-funded by Horizon Europe</b> shall be identified as an intermediate body by the managing authority of the relevant programme, in <del>line</del> <b>accordance</b> with paragraph 3	
		<b>6. The Member State, at its own initiative, may set up a coordination body to liaise with and provide information to the Commission and to coordinate activities of the programme authorities in that Member State.</b> <sup>50</sup>	<i>Provisional common understanding</i> <b>6. The Member State, at its own initiative, may set up a coordination body to liaise with and provide information to the Commission and to coordinate activities of the programme authorities in that Member State.</b> <sup>3</sup>	V-38
<b>CHAPTER II</b>	<i>[No change]</i>	<i>[No change]</i>	<i>Provisional common understanding</i>	V-39

<sup>50</sup> Council position: New recital: "(x) The Member State, at its own initiative, should have the possibility to identify a coordinating body to liaise with and provide information to the Commission and to coordinate activities of the programme authorities in that Member State."

Commission proposal <b>COM(2018)375</b>	European Parliament position (EP amendments) <i>(Plenary mandate 13/2/19)</i>	Council position <i>(Coreper mandate 19/12/18)</i>	Compromise proposal, comments	Row
<b>Standard management and control systems</b>			<i>[No change]</i>	
<i>Article 66</i> <i>Functions of the managing authority</i>	<i>[No change]</i>	<i>[No change]</i>	<i>Provisional common understanding</i> <i>[No change]</i>	V-40
1. The managing authority shall be responsible for managing the programme with a view to delivering the objectives of the programme. In particular, it shall have the following functions:	<i>[No change]</i>	<i>[No change]</i>	<i>Provisional common understanding</i> <i>[No change]</i>	V-41
(a) select operations in accordance with Article 67;	<i>[No change]</i>	(a) select operations in accordance with Article 67; <b>with the exception of operations referred to in Article 27(3)(d);</b>	<i>Provisional common understanding</i> (a) select operations in accordance with Article 67; <b>with the exception of operations referred to in Article 27(3)(d);</b>	V-42
(b) carry out programme management tasks in accordance with Article 68;	<i>[No change]</i>	<i>[No change]</i>	<i>Provisional common understanding</i> <i>[No change]</i>	V-43
(c) support the work of the monitoring committee in accordance with Article 69;	<i>[No change]</i>	<i>[No change]</i>	<i>Provisional common understanding</i> <i>[No change]</i>	V-44
(d) supervise intermediate bodies;	<i>[No change]</i>	<i>[No change]</i>	<i>Provisional common understanding</i>	V-45

Commission proposal <b>COM(2018)375</b>	European Parliament position (EP amendments) <i>(Plenary mandate 13/2/19)</i>	Council position <i>(Coreper mandate 19/12/18)</i>	Compromise proposal, comments	Row
			<i>[No change]</i>	
(e)record and store in an electronic system the data on each operation necessary for monitoring, evaluation, financial management, verifications and audits, and shall ensure the security, integrity and confidentiality of data and the authentication of the users.	<u>Amendment 287</u>  (e) record and store in an electronic <del>system</del> <b>systems</b> the data on each operation necessary for monitoring, evaluation, financial management, verifications and audits, and shall ensure the security, integrity and confidentiality of data and the authentication of the users.	(e) record and store <del>in an electronic system</del> <b>electronically</b> the data on each operation necessary for monitoring, evaluation, financial management, verifications and audits, and shall ensure the security, integrity and confidentiality of data and the authentication of the users.	<i>Provisional common understanding</i>  (e) record and store <del>in an electronic system</del> <b>electronically</b> the data on each operation necessary for monitoring, evaluation, financial management, verifications and audits <b>in accordance with Annex XYZ</b> , and shall ensure the security, integrity and confidentiality of data and the authentication of the user.	V-46

<b>Commission proposal COM(2018)375</b>	<b>European Parliament position (EP amendments) (Plenary mandate 13/2/19)</b>	<b>Council position (Coreper mandate 19/12/18)</b>	<b>Compromise proposal, comments</b>	<b>Row</b>
2. The Member State may entrust the accounting function referred to in Article 70 to the managing authority or to another body.	[No change]	[No change]	Provisional common understanding  [No change]	V-47
3. For programmes supported by the AMIF, the ISF and the BMVI, the accounting function shall be carried out by the managing authority or under its responsibility.	[No change]	[No change]	Provisional common understanding  [No change]	V-48
4. The Commission shall adopt an implementing act in accordance with the advisory procedure referred to in Article 109(2) in order to ensure uniform conditions for the electronic data to be recorded and stored referred to in point (e) of paragraph 1. That implementing act shall be adopted in accordance with the advisory procedure referred to in Article 109(2).	[No change]	4. <del>The Commission shall adopt an implementing act in accordance with the advisory procedure referred to in Article 109(2) in order to ensure uniform conditions for</del> <b>Annex XYZ sets out</b> the electronic data to be recorded and stored referred to in point (e) of paragraph 1. <del>That implementing act shall be adopted in accordance with the advisory procedure referred to in Article 109(2).</del>	Provisional common understanding  <del>4. The Commission shall adopt an implementing act in accordance with the advisory procedure referred to in Article 109(2) in order to ensure uniform conditions for the electronic data to be recorded and stored referred to in point (e) of paragraph 1. That implementing act shall be adopted in accordance with the advisory procedure referred to in Article 109(2).</del>	V-49
<i>Article 67 Selection of operations by the managing authority</i>	[No change]	[No change]	Provisional common understanding  [No change]	V-50

Commission proposal <b>COM(2018)375</b>	European Parliament position (EP amendments) <i>(Plenary mandate 13/2/19)</i>	Council position <i>(Coreper mandate 19/12/18)</i>	Compromise proposal, comments	Row
1. For the selection of operations, the managing authority shall establish and apply criteria and procedures which are non-discriminatory, transparent, ensure gender equality and take account of the Charter of Fundamental Rights of the European Union and the principle of sustainable development and of the Union policy on the environment in accordance with Articles 11 and 191(1) of the TFEU.	<u>Amendment 288</u>  For the selection of operations, the managing authority shall establish and apply criteria and procedures which are non-discriminatory, transparent, ensure <b>accessibility to persons with disabilities</b> , gender equality and take account of the Charter of Fundamental Rights of the European Union and the principle of sustainable development and of the Union policy on the environment in accordance with Articles 11 and 191(1) of the TFEU.	<i>[No change]</i>	<i>Provisional common understanding</i>  1. For the selection of operations, the managing authority shall establish and apply criteria and procedures which are non-discriminatory, transparent, ensure <b>accessibility to persons with disabilities</b> , gender equality and take account of the Charter of Fundamental Rights of the European Union and the principle of sustainable development and of the Union policy on the environment in accordance with Articles 11 and 191(1) of the TFEU.	V-51
The criteria and procedures shall ensure the prioritisation of operations to be selected with a view to maximise the contribution of Union funding to the achievement of the objectives of the programme.	<i>[No change]</i>	The criteria and procedures shall ensure the prioritisation of operations to be selected with a view to maximise the contribution of Union funding to the achievement of the objectives of the programme <sup>51</sup> .	<i>Provisional common understanding</i>  The criteria and procedures shall ensure the prioritisation of operations to be selected with a view to maximise the contribution of Union funding to the achievement of the objectives of the programme.  <i>Recital 48 to be amended as follows:</i>	V-52

<sup>51</sup> Council position: Recital 48 to be complemented as follows: (48) Since the managing authority bears the main responsibility for the effective and efficient implementation of the Funds and therefore fulfils a substantial number of functions, its functions in relation to the selection of operations, programme management and support for the monitoring committee should be set out in detail. **Procedures for the selection of operations can be competitive or non-competitive provided that operations selected maximise contribution of the Union funding and are should be in line with the horizontal principles.**

Commission proposal COM(2018)375	European Parliament position (EP amendments) (Plenary mandate 13/2/19)	Council position (Coreper mandate 19/12/18)	Compromise proposal, comments	Row
			(48) Since the managing authority bears the main responsibility for the effective and efficient implementation of the Funds and therefore fulfils a substantial number of functions, its functions in relation to the selection of operations, programme management and support for the monitoring committee should be set out in detail. <b>Procedures for the selection of operations can be competitive or non-competitive provided that operations selected maximise contribution of the Union funding and are</b> should be in line with the horizontal principles <b>defined in Article 6 a new.</b>	
2. Upon request of the Commission, the managing authority shall consult the Commission and take its comments into account prior to the initial submission of the selection criteria to the monitoring committee and before any subsequent changes to those criteria.	[No change]	<del>2. Upon request of the Commission, the managing authority shall consult the Commission and take its comments into account prior to the initial submission of the selection criteria to the monitoring committee and before any subsequent changes to those criteria.</del>  (paragraph 2 is deleted)	<i>Provisional common understanding:</i>  <del>2. Upon request of the Commission, the managing authority shall consult the Commission and take its comments into account prior to the initial submission of the selection criteria to the monitoring committee and before any subsequent changes to those criteria.</del>	V-53
3. In selecting operations, the	[No change]	[No change]	<i>Provisional common understanding</i>	V-54



Commission proposal COM(2018)375	European Parliament position (EP amendments) (Plenary mandate 13/2/19)	Council position (Coreper mandate 19/12/18)	Compromise proposal, comments	Row
managing authority shall:			[No change]	
(a) ensure that selected operations comply with the programme and provide an effective contribution to the achievement of its specific objectives;	<u>Amendment 289</u> (a) ensure that selected operations <b>are sustainable</b> , comply with the programme, <b>as well as territorial strategies</b> , and provide an effective contribution to the achievement of its specific objectives;	[No change]	Provisional common understanding  (a) ensure that selected operations comply with the programme, <b>including their consistency with the relevant strategies underlying the programme, as well as</b> and provide an effective contribution to the achievement of the specific objectives <b>of the programme</b> ;	V-55
(b) ensure that selected operations are consistent with the corresponding strategies and planning documents established for the fulfilment of enabling conditions;	[No change]	(b) ensure that selected operations <b>which fall within the scope of an enabling condition</b> are consistent with the corresponding strategies and planning documents established for the fulfilment of <b>that enabling condition</b> ;	Provisional common understanding  (b) ensure that selected operations <b>which fall within the scope of an enabling condition</b> are consistent with the corresponding strategies and planning documents established for the fulfilment of <b>that enabling condition</b> ;	V-56
	[No change]	<b>In the case of policy objective one, as set out in Article 2(1)(a) of the [ERDF and CF Regulation], only operations corresponding to the specific objectives referred to in Article 2(1)(a)(i) and (iv) of that Regulation shall be consistent with the corresponding smart specialisation strategies.</b>	Linked to ERDF-CF and to be discussed jointly with CPR Block 2 (Annex IV) once the specific objectives are agreed	V-57

Commission proposal <b>COM(2018)375</b>	European Parliament position <b>(EP amendments)</b> <i>(Plenary mandate 13/2/19)</i>	Council position <i>(Coreper mandate 19/12/18)</i>	Compromise proposal, comments	Row
(c) ensure that selected operations present the best relationship between the amount of support, the activities undertaken and the achievement of objectives;	<u>Amendment 290</u>  (c) ensure that selected operations present the best <b><i>an appropriate</i></b> relationship between the amount of support, the activities undertaken and the achievement of objectives;	<del>(e) ensure that selected operations present the best relationship between the amount of support, the activities undertaken and the achievement of objectives;</del>	<i>Provisional common understanding</i>  <i>[No change]</i>	V-58
(d) verify that the beneficiary has the necessary financial resources and mechanisms to cover operation and maintenance costs;	<i>[No change]</i>	<b>(c) satisfy itself</b> <del>verify</del> that the beneficiary has the necessary financial resources and mechanisms to cover operation and maintenance costs <b>for operations comprising investment in infrastructure or productive investment;</b>	<i>Provisional common understanding</i>  (d) verify that the beneficiary has the necessary financial resources and mechanisms to cover operation and maintenance costs <b>for operations comprising investment in infrastructure or productive investment, so as to ensure their financial sustainability;</b>	V-59

Commission proposal COM(2018)375	European Parliament position (EP amendments) (Plenary mandate 13/2/19)	Council position (Coreper mandate 19/12/18)	Compromise proposal, comments	Row
(e) ensure that selected operations which fall under the scope of Directive 2011/92/EU of the European Parliament and of the Council <sup>52</sup> are subject to an environmental impact assessment or a screening procedure, on the basis of the requirements of that Directive as amended by Directive 2014/52/EU of the European Parliament and of the Council <sup>53</sup> ;	<u>Amendment 291</u>  (e) ensure that selected operations which fall under the scope of Directive 2011/92/EU of the European Parliament and of the Council <sup>48</sup> are subject to an environmental impact assessment or a screening procedure <b>and that the assessment of alternative solutions as well as a comprehensive public consultation has been taken in due account</b> , on the basis of the requirements of that Directive as amended by Directive 2014/52/EU of the European Parliament and of the Council <sup>49</sup>	<del>(e) ensure that selected operations which fall under the scope of Directive 2011/92/EU of the European Parliament and of the Council<sup>54</sup> are subject to an environmental impact assessment or a screening procedure, on the basis of the requirements of that Directive as amended by Directive 2014/52/EU of the European Parliament and of the Council<sup>55</sup>;</del>  (f) <b>satisfy itself</b> that where the operations have started before the submission of an application for funding to the managing authority, applicable law has been complied	<i>Provisional common understanding</i>  (e) ensure that selected operations which fall under the scope of Directive 2011/92/EU of the European Parliament and of the Council <sup>48</sup> are subject to an environmental impact assessment or a screening procedure <b>and that the assessment of alternative solutions has been taken in due account</b> , on the basis of the requirements of that Directive as amended by Directive 2014/52/EU of the European Parliament and of the Council <sup>49</sup>	V-60
(f) verify that where the operations have started before the submission of an application for funding to the managing authority, applicable law has been	<u>Amendment 292</u>  (f) <del>verify</del> <b>ensure</b> that where the operations have started before the submission of an application for	<del>(f) verify</del> (d) <b>satisfy itself</b> that where the operations have started before the submission of an application for funding to the managing authority, applicable law has been complied	<i>Provisional common understanding</i>  (f) [...] * that where the operations have started before the submission of an application for funding to the managing	V-61

<sup>52</sup> Directive 2011/92/EU of the European Parliament and of the Council of 13 December 2011 on the assessment of the effects of certain public and private projects on the environment (OJ L 26, 28.1.2012, p. 1).

<sup>53</sup> Directive 2014/52/EU of the European Parliament and of the Council of 16 April 2014 amending Directive 2011/92/EU on the assessment of the effects of certain public and private projects on the environment (OJ L 124, 25.4.2014, p. 1).

<sup>54</sup> ~~Directive 2011/92/EU of the European Parliament and of the Council of 13 December 2011 on the assessment of the effects of certain public and private projects on the environment (OJ L 26, 28.1.2012, p. 1).~~

<sup>55</sup> ~~Directive 2014/52/EU of the European Parliament and of the Council of 16 April 2014 amending Directive 2011/92/EU on the assessment of the effects of certain public and private projects on the environment (OJ L 124, 25.4.2014, p. 1).~~

Commission proposal COM(2018)375	European Parliament position (EP amendments) <i>(Plenary mandate 13/2/19)</i>	Council position <i>(Coreper mandate 19/12/18)</i>	Compromise proposal, comments	Row
complied with;	funding to the managing authority, applicable law has been complied with;	with;	authority, applicable law has been complied with;  <i>* First word to be left for lawyer-linguist finalisation but to be consistent with row V-59</i>	
(g) ensure that selected operations fall within the scope of the Fund concerned and are attributed to a type of intervention or area of support for the EMFF;	<i>[No change]</i>	<del>(g)</del> (e) ensure that selected operations fall within the scope of the Fund concerned and, <b>with the exception of the EMFF</b> , are attributed to a type of intervention or area of support for the EMFF;	<i>To be dealt with once a provisional common understanding on the EMFF Regulation is found</i>	V-62
(h) ensure that operations do not include activities which were part of an operation subject to relocation in accordance with Article 60 or which would constitute a transfer of a productive activity in accordance with Article 59(1)(a);	<i>[No change]</i>	<del>(h)</del> (f) ensure that operations do not include activities which were part of an operation subject to relocation in accordance with Article 60 or which would constitute a transfer of a productive activity in accordance with Article 59(1)(a);	<i>Provisional common understanding</i>  (x) ensure that operations do not include activities which were part of an operation subject to relocation in accordance with Article 60 or which would constitute a transfer of a productive activity in accordance with Article 59(1)(a);  <i>* Content unchanged. (x) numbering of paragraph to be adjusted</i>	V-63

Commission proposal COM(2018)375	European Parliament position (EP amendments) (Plenary mandate 13/2/19)	Council position (Coreper mandate 19/12/18)	Compromise proposal, comments	Row
(i) ensure that selected operations are not affected by a reasoned opinion by the Commission in respect of an infringement under Article 258 of the TFEU that puts at risk the legality and regularity of expenditure or the performance of operations;	[No change]	<del>(g)</del> ensure that selected operations are not <b>directly</b> affected by a reasoned opinion by the Commission in respect of an infringement under Article 258 of the TFEU that puts at risk the legality and regularity of expenditure <del>or the performance of operations</del> ;	<i>Provisional common understanding</i>  <del>(g)</del> ensure that selected operations are not <b>directly</b> affected by a reasoned opinion by the Commission in respect of an infringement under Article 258 of the TFEU that puts at risk the legality and regularity of expenditure or the performance of operations;	V-64
(j) ensure the climate proofing of investments in infrastructure with an expected lifespan of at least five years.	<u>Amendment 293</u>  (j) ensure, <b><i>before taking investment decisions</i></b> , the climate proofing of investments in infrastructure with an expected lifespan of at least five years, <b><i>as well as the application of the Energy Efficiency First principle</i></b> . <sup>56</sup>	<del>(j)</del> ensure <del>the climate proofing of that</del> , for investments in infrastructure with an expected lifespan of at least five years, <b>an assessment of expected impacts of climate change is carried out</b> . <sup>57</sup>	<i>Provisional common understanding</i>  (j) ensure the climate proofing of investments in infrastructure with an expected lifespan of at least five years <sup>58</sup> .	V-65
4. The managing authority shall ensure that the beneficiary is provided with a	[No change]	4. The managing authority shall ensure that the beneficiary is provided	<i>Provisional common understanding</i>	V-66

<sup>56</sup> P position: the following amendments related to definitions of the ‘energy efficiency first principle’ and ‘climate proofing’ are made under Article 2:

- (36a) ‘**energy efficiency first principle**’ means the prioritisation, in energy planning, policy and investment decisions, of measures that make the demand and supply of energy more efficient;
- (37) ‘climate proofing’ means a process to ensure that infrastructure is resilient to the adverse impacts of the climate in accordance with **internationally recognised standards or** national rules and guidance, where available, **that the energy efficiency first principle is respected and that specific emission reduction and decarbonisation pathways are chosen** ~~or internationally recognised standards~~;

<sup>57</sup> Council position: Article 2(37) (definition of ‘climate proofing’) is deleted.

<sup>58</sup> The definition of climate proofing will be discussed in Block 7. The EP maintains its position on the fact that the definition should focus on climate change mitigation needs.

Commission proposal <b>COM(2018)375</b>	European Parliament position (EP amendments) <i>(Plenary mandate 13/2/19)</i>	Council position <i>(Coreper mandate 19/12/18)</i>	Compromise proposal, comments	Row
document setting out all the conditions for support for each operation including the specific requirements concerning the products or services to be delivered, the financing plan, the time-limit for its execution and where applicable, the method to be applied for determining the costs of the operation and the conditions for payment of the grant.		with a document setting out all the conditions for support for each operation including the specific requirements concerning the products or services to be delivered, the financing plan, the time-limit for its execution and where applicable, the method to be applied for determining the costs of the operation and the conditions for payment of the <del>grant</del> <b>support</b> .	4. The managing authority shall ensure that the beneficiary is provided with a document setting out all the conditions for support for each operation including the specific requirements concerning the products or services to be delivered, the financing plan, the time-limit for its execution and where applicable, the method to be applied for determining the costs of the operation and the conditions for payment of the <del>grant</del> <b>support</b> .	
5. For operations awarded a Seal of Excellence certification, or selected under the programme co-fund under Horizon Europe, the managing authority may decide to grant support from the ERDF or the ESF+ directly, provided that such operations are consistent with the objectives of the programme.	<i>[No change]</i>	5. For operations awarded a Seal of Excellence certification, or selected under the programme co-fund under Horizon Europe, the managing authority may decide to grant support from the ERDF or the ESF+ directly, provided that such operations <del>are consistent with the objectives of the programme</del> <b>meet the requirements set out in points (a), (b) and (e) of paragraph 3</b> .	<i>Provisional common understanding:</i>  5. For operations awarded a Seal of Excellence certification, or operations selected under a programme co-funded <b>by</b> Horizon Europe, the managing authority may decide to grant support from the ERDF <u>or</u> the ESF+ directly, provided that such operations <del>are consistent with the objectives of the programme</del> <b>meet the requirements set out in [points (a), (b) and (e) of paragraph 3]</b> .  <i>[references still to be checked]</i>	V-67

Commission proposal COM(2018)375	European Parliament position (EP amendments) <i>(Plenary mandate 13/2/19)</i>	Council position <i>(Coreper mandate 19/12/18)</i>	Compromise proposal, comments	Row
			<p>In addition, managing authorities may apply to the operations referred to in the first subparagraph the categories, maximum amounts and methods of calculation of eligible costs established under the relevant Union instrument.</p> <p>These elements shall be set out in the document referred in paragraph 4.</p>	
	<p><u>Amendment 294</u></p> <p><i>5a. The managing authority may also decide, in duly justified cases, to contribute up to 5 % of a programme's financial allocation under the ERDF and ESF+ to specific projects within the Member State eligible under Horizon Europe, including those selected in the second phase, provided that those specific projects contribute to the programme's objectives in that Member State.</i></p>		<i>No mandate on the Council side.</i>	V-68
The co-financing rate of the instrument	<i>[No change]</i>	<i>[No change]</i>	<i>Provisional common understanding</i>	V-69

Commission proposal <b>COM(2018)375</b>	European Parliament position (EP amendments) <i>(Plenary mandate 13/2/19)</i>	Council position <i>(Coreper mandate 19/12/18)</i>	Compromise proposal, comments	Row
providing the Seal of Excellence certification or the programme co-fund shall apply and shall be set out in the document referred in paragraph 4.			<p><del>The co-financing rate of the instrument providing the Seal of Excellence certification or the programme co-fund shall apply and shall be set out in the document referred in paragraph 4.</del></p> <p><i>Recital 49 to be amended as follows:</i></p> <p><del>In order to optimise</del> The synergies between the Funds and directly managed instruments should be optimised. The provision of support for operations that have already received a Seal of Excellence certification <b>or were selected under a programme co-funded by Horizon Europe with a contribution from the Funds</b> should be facilitated. <b>Conditions already assessed at Union level, prior to the awarding of the Seal of Excellence label or the selection under a programme co-funded by Horizon Europe, should not have to be assessed again, as long as the operations comply with a limited set of criteria established in this Regulation. This should also facilitate following the appropriate rules set out in GBER.</b></p>	
6. When the managing authority selects	<u>Amendment 295</u>	6. When the managing authority	<i>Provisional common understanding</i>	V-70



<b>Commission proposal COM(2018)375</b>	<b>European Parliament position (EP amendments)</b> <i>(Plenary mandate 13/2/19)</i>	<b>Council position</b> <i>(Coreper mandate 19/12/18)</i>	<b>Compromise proposal, comments</b>	<b>Row</b>
an operation of strategic importance, it shall inform the Commission immediately and shall provide all relevant information to the Commission about that operation.	6. When the managing authority selects an operation of strategic importance, it shall inform the Commission <del>immediately</del> <b>within one month</b> and shall provide all relevant information to the Commission about that operation, <b>including a cost-benefit analysis</b> .	selects an operation of strategic importance, it shall inform the Commission <del>immediately</del> and shall provide <del>all</del> relevant information to the Commission about that operation.	6. When the managing authority selects an operation of strategic importance, it shall inform the Commission <del>immediately</del> <b>within one month</b> and shall provide all relevant information to the Commission about that operation.	
Article 68 Programme management by the managing authority	<i>[No change]</i>	<i>[No change]</i>	<i>Provisional common understanding</i>  <i>[No change]</i>	V-71
1. The managing authority shall:	<i>[No change]</i>	<i>[No change]</i>	<i>Provisional common understanding</i>  <i>[No change]</i>	V-72
(a) carry out management verifications to verify that the co-financed products and services have been delivered, that the operation complies with applicable law, the programme and the conditions for support of the operation, and:	<i>[No change]</i>	<i>[No change]</i>	<i>Provisional common understanding</i>  <i>[No change]</i>	V-73
(i) where costs are to be reimbursed pursuant to Article 48(1)(a), that the amount of expenditure claimed by the beneficiaries in relation to those costs has been paid and that beneficiaries maintain separate accounting records for all transactions relating to the	<i>[No change]</i>	(i) where costs are to be reimbursed pursuant to Article 48(1)(a), that the amount of expenditure claimed by the beneficiaries in relation to those costs has been paid and that beneficiaries maintain separate accounting records <b>or use appropriate accounting codes</b>	<i>Provisional common understanding</i>  (i) where costs are to be reimbursed pursuant to Article 48(1)(a), that the amount of expenditure claimed by the beneficiaries in relation to those costs has been paid and that beneficiaries	V-74

Commission proposal <b>COM(2018)375</b>	European Parliament position (EP amendments) <i>(Plenary mandate 13/2/19)</i>	Council position <i>(Coreper mandate 19/12/18)</i>	Compromise proposal, comments	Row
operation;		for all transactions relating to the operation;	maintain separate accounting records <b>or use appropriate accounting codes</b> for all transactions relating to the operation;	
(ii) where costs are to be reimbursed pursuant to points (b), (c) and (d) of Article 48(1), that the conditions for reimbursement of expenditure to the beneficiary have been met;	<i>[No change]</i>	<i>[No change]</i>	<i>Provisional common understanding</i>  <i>[No change]</i>	V-75
(b) ensure, subject to the availability of funding, that a beneficiary receives the amount due in full and no later than 90 days from the date of submission of the payment claim by the beneficiary;	<u>Amendment 296</u>  (b) ensure, <del>subject to the availability of funding,</del> <b>for pre-financing and interim payments</b> that a beneficiary receives the amount due in full <b>for verified expenditure</b> and no later than <del>90</del> <b>60</b> days from the date of submission of the payment claim by the beneficiary;	(b) ensure, subject to the availability of funding, that a beneficiary receives the amount due in full and no later than 90 days from the date of submission of the payment claim by the beneficiary; <b>the deadline may be interrupted if information submitted by the beneficiary does not allow the managing authority to establish whether the amount is due;</b>	<i>Provisional common understanding</i>  (b) ensure, subject to the availability of funding, that a beneficiary receives the amount due in full and no later than <del>90</del> <b>80</b> days from the date of submission of the payment claim by the beneficiary; <b>the deadline may be interrupted if information submitted by the beneficiary does not allow the managing authority to establish whether the amount is due;</b>	V-76
(c) have effective and proportionate anti-fraud measures and procedures in place, taking into account the risks identified;	<i>[No change]</i>	<i>[No change]</i>	<i>Provisional common understanding</i>  <i>[No change]</i>	V-77
(d) prevent, detect and correct irregularities;	<i>[No change]</i>	<i>[No change]</i>	<i>Provisional common understanding</i>	V-78

<b>Commission proposal COM(2018)375</b>	<b>European Parliament position (EP amendments) (Plenary mandate 13/2/19)</b>	<b>Council position (Coreper mandate 19/12/18)</b>	<b>Compromise proposal, comments</b>	<b>Row</b>
			<i>[No change]</i>	
(e) confirm that the expenditure entered into the accounts is legal and regular;	<i>[No change]</i>	<i>[No change]</i>	Provisional common understanding  <i>[No change]</i>	V-79
(f) draw up the management declaration in accordance with the template set out in Annex XV;	<i>[No change]</i>	<i>[No change]</i>	Provisional common understanding  <i>[No change]</i>	V-80
(g) provide forecasts of the amount for payment applications to be submitted for the current and subsequent calendar years by 31 January and 31 July, in accordance with Annex VII.	<i>[No change]</i>	<del>(g) provide forecasts of the amount for payment applications to be submitted for the current and subsequent calendar years by 31 January and 31 July, in accordance with Annex VII.</del>	Provisional common understanding  <del>(g) provide forecasts of the amount for payment applications to be submitted for the current and subsequent calendar years by 31 January and 31 July, in accordance with Annex VII.</del>  * Covered by row V-15	V-81
For point (b) of the first sub-paragraph, no amount shall be deducted or withheld and no specific charge or other charge with equivalent effect shall be levied that would reduce amounts due to beneficiaries.	<i>[No change]</i>	<i>[No change]</i>	Provisional common understanding  <i>[No change]</i>	V-82
For PPP operations, the managing authority shall carry out payments to an escrow account set up for that purpose in the name of the beneficiary for use in	<i>[No change]</i>	<i>[No change]</i>	Provisional common understanding  <i>[No change]</i>	V-83

Commission proposal COM(2018)375	European Parliament position (EP amendments) (Plenary mandate 13/2/19)	Council position (Coreper mandate 19/12/18)	Compromise proposal, comments	Row
accordance with the PPP agreement.				
2. Management verifications referred to in point (a) of paragraph 1 shall be risk-based and proportionate to the risks identified as defined in a risk management strategy.	[No change] <sup>59</sup>	2. Management verifications referred to in point (a) of paragraph 1 shall be risk-based and proportionate to the risks identified <del>as defined in a risk management strategy</del> <b>ex-ante and in writing.</b>	<p><i>Provisional common understanding</i></p> <p>2. Management verifications referred to in point (a) of paragraph 1 shall be risk-based and proportionate to the risks identified <del>as defined in a risk management strategy</del> <b>ex-ante and in writing.</b></p> <p>Recital 50: "To ensure an appropriate balance between the effective and efficient implementation of the Funds and the related administrative costs and burdens, the frequency, scope and coverage of management verifications should be based on a risk assessment that takes account of factors such as the <b>number</b>, type, <b>size and content</b> of operations implemented, the beneficiaries as well as the level of the risk identified by previous management verifications and audits. <b>Management verifications should be proportionate to the risks resulting</b></p>	V-84

<sup>59</sup> EP position: Recital (50) is amended as follows: To ensure an appropriate balance between the effective and efficient implementation of the Funds and the related administrative costs and burdens, the frequency, scope and coverage of management verifications should be based on a risk assessment that takes account of factors such as the type of operations implemented, the **complexity and number of operations**, the beneficiaries as well as the level of risk identified by previous management verifications and audits. **Management and control measures for the Funds should be proportionate to the level of risk to the Union budget.**

<b>Commission proposal COM(2018)375</b>	<b>European Parliament position (EP amendments) (Plenary mandate 13/2/19)</b>	<b>Council position (Coreper mandate 19/12/18)</b>	<b>Compromise proposal, comments</b>	<b>Row</b>
			<b>from that risk assessment and audits should be proportionate to the level of risk to the budget of the Union."</b>	
Management verifications shall include administrative verifications in respect of payment claims by beneficiaries and on-the-spot verifications of operations. They shall be carried out at the latest before preparation of the accounts in accordance with Article 92.	<i>[No change]</i>	<i>[No change]</i>	<i>Provisional common understanding</i>  <i>[No change]</i>	V-85
3. Where the managing authority is also a beneficiary under the programme, arrangements for the management verifications shall ensure separation of functions.	<i>[No change]</i>	<i>[No change]</i>	<i>Provisional common understanding</i>  <i>[No change]</i>	V-86
4. By way of derogation from paragraph 2, the ETC Regulation may establish specific rules on management verifications applicable to Interreg programmes.	<i>[No change]</i>	<i>[No change]</i>	<i>Provisional common understanding</i>  <i>[No change]</i>	V-87
<i>Article 69</i> <i>Support of the work of the monitoring committee by the managing authority</i>	<i>[No change]</i>	<i>[No change]</i>	<i>Provisional common understanding</i>  <i>[No change]</i>	V-88
The managing authority shall:	<i>[No change]</i>	<i>[No change]</i>	<i>Provisional common understanding</i>  <i>[No change]</i>	V-89

Commission proposal <b>COM(2018)375</b>	European Parliament position (EP amendments) <i>(Plenary mandate 13/2/19)</i>	Council position <i>(Coreper mandate 19/12/18)</i>	Compromise proposal, comments	Row
(a) provide the monitoring committee in a timely manner with all information necessary to carry out its tasks;	<i>[No change]</i>	<i>[No change]</i>	Provisional common understanding <i>[No change]</i>	V-90
(b) ensure the follow-up of the decisions and recommendations of the monitoring committee.	<i>[No change]</i>	<i>[No change]</i>	Provisional common understanding <i>[No change]</i>	V-91
<i>Article 70</i> <i>The accounting function</i>	<i>[No change]</i>	<i>[No change]</i>	Provisional common understanding <i>[No change]</i>	V-92
1. The accounting function shall consist of the following tasks:	<i>[No change]</i>	<i>[No change]</i>	Provisional common understanding <i>[No change]</i>	V-93
(a) drawing up and submitting payment applications to the Commission in accordance with Articles 85 and 86;	<u>Amendment 297</u>  (a) drawing up and submitting payment applications to the Commission in accordance with Articles 85 and 86 <b>and taking account of the audits carried out by, or under the responsibility of the audit authority;</b>	<i>[No change]</i>	Provisional common understanding <i>[EP amendment withdrawn]</i>	V-94
(b) drawing up the accounts in accordance with Article 92 and keeping records of all the elements of the accounts in an electronic system;	<u>Amendment 298</u>  (b) drawing up <b>and presenting</b> the accounts, <b>confirming the completeness, accuracy and</b>	(b) drawing up <b>and submitting</b> the accounts in accordance with Article 92 and <b>confirming completeness, accuracy and veracity of the accounts;</b>	Provisional common understanding  (b) drawing up <b>and submitting</b> the accounts <b>confirming completeness, accuracy and veracity of the</b>	V-95

Commission proposal COM(2018)375	European Parliament position (EP amendments) (Plenary mandate 13/2/19)	Council position (Coreper mandate 19/12/18)	Compromise proposal, comments	Row
	<b>correctness</b> in accordance with Article 92 and keeping records of all the elements of the accounts in an electronic system;		<b>accounts</b> in accordance with Article 92 and keeping <b>electronic</b> records of all the elements of the accounts <del>in an electronic system</del> , <b>including payment applications</b> ;	
		<b>(ba)</b> keeping <b>electronic</b> records of all the elements of the accounts <del>in an electronic system</del> <b>and payment applications</b> ;	<i>Provisional common understanding</i> <i>CONS position covered in row V-95</i>	V-96
(c)converting the amounts of expenditure incurred in another currency into euro by using the monthly accounting exchange rate of the Commission in the month during which the expenditure is registered in the accounting systems of the body responsible for carrying out the tasks set out in this Article.	<i>[No change]</i>	<i>[No change]</i>	<i>Provisional common understanding</i> <i>[No change]</i>	V-97
2. The accounting function shall not comprise verifications at the level of beneficiaries.	<i>[No change]</i>	<i>[No change]</i>	<i>Provisional common understanding</i> <i>[No change]</i>	V-98
3. By way of derogation from point (c) of paragraph 1, the ETC Regulation may establish a different method to convert the amounts of expenditure incurred in another currency into euro.	<i>[No change]</i>	<i>[No change]</i>	<i>Provisional common understanding</i> <i>[No change]</i>	V-99

<b>Commission proposal COM(2018)375</b>	<b>European Parliament position (EP amendments) (Plenary mandate 13/2/19)</b>	<b>Council position (Coreper mandate 19/12/18)</b>	<b>Compromise proposal, comments</b>	<b>Row</b>
<i>Article 71 Functions of the audit authority</i>	<i>[No change]</i>	<i>[No change]</i>	<i>Provisional common understanding [No change]</i>	V-100
1. The audit authority shall be responsible for carrying out system audits, audits on operations and audits of accounts in order to provide independent assurance to the Commission regarding the effective functioning of the management and control systems and the legality and regularity of the expenditure included in the accounts submitted to the Commission.	<i>[No change]</i>	<i>[No change]</i>	<i>Provisional common understanding [No change]</i>	V-101
2. Audit work shall be carried out in accordance with internationally accepted audit standards.	<i>[No change]</i>	<i>[No change]</i>	<i>Provisional common understanding [No change]</i>	V-102
3. The audit authority shall draw up and submit to the Commission:	<i>[No change]</i>	<i>[No change]</i>	<i>Provisional common understanding [No change]</i>	V-103
(a) an annual audit opinion in accordance with Article [63(7)] of the Financial Regulation and with the template set out in Annex XVI and based on all audit work carried out, covering the following distinct components:	<i>[No change]</i>	(a) an annual audit opinion in accordance with Article {63(7)} of the Financial Regulation and with the template set out in Annex XVI and based on all audit work carried out, covering the following distinct components:	<i>Provisional common understanding (a) an annual audit opinion in accordance with Article {63(7)} of the Financial Regulation and with the template set out in Annex XVI and based on all audit work carried out,</i>	V-104



<b>Commission proposal COM(2018)375</b>	<b>European Parliament position (EP amendments)</b> <i>(Plenary mandate 13/2/19)</i>	<b>Council position</b> <i>(Coreper mandate 19/12/18)</i>	<b>Compromise proposal, comments</b>	<b>Row</b>
			covering the following distinct components:	
(i) the completeness, veracity and accuracy of the accounts;	<i>[No change]</i>	<i>[No change]</i>	<i>Provisional common understanding</i> <i>[No change]</i>	V-105
(ii) the legality and regularity of the expenditure included in the accounts submitted to the Commission;	<i>[No change]</i>	<i>[No change]</i>	<i>Provisional common understanding</i> <i>[No change]</i>	V-106

<b>Commission proposal COM(2018)375</b>	<b>European Parliament position (EP amendments) (Plenary mandate 13/2/19)</b>	<b>Council position (Coreper mandate 19/12/18)</b>	<b>Compromise proposal, comments</b>	<b>Row</b>
(iii) the effective functioning of the management and control system.	[No change]	[No change]	Provisional common understanding  [No change]	V-107
(b) an annual control report fulfilling the requirements of Article [63(5)(b)] of the Financial Regulation, in accordance with the template set out in Annex XVII and, supporting the audit opinion referred to in point (a) and setting out a summary of the findings, including an analysis of the nature and extent of errors and deficiencies in the systems as well as the proposed and implemented corrective actions and the resulting total error rate and residual error rate for the expenditure entered in the accounts submitted to the Commission.	[No change]	[No change]	Provisional common understanding  (b) an annual control report fulfilling the requirements of Article {63(5)(b)} of the Financial Regulation, in accordance with the template set out in Annex XVII and, supporting the audit opinion referred to in point (a) and setting out a summary of the findings, including an analysis of the nature and extent of errors and deficiencies in the systems as well as the proposed and implemented corrective actions and the resulting total error rate and residual error rate for the expenditure entered in the accounts submitted to the Commission.	V-108
4. Where programmes are grouped for the purpose of audits of operations pursuant to Article 73(2), the information required under paragraph (3)(b) may be grouped in a single report.	[No change]	[No change]	Provisional common understanding  [No change]	V-109
Where the audit authority makes use of this option for programmes supported	[No change]	<del>Where the audit authority makes use of this option for programmes</del>	Provisional common understanding	V-110

<b>Commission proposal COM(2018)375</b>	<b>European Parliament position (EP amendments)</b> <i>(Plenary mandate 13/2/19)</i>	<b>Council position</b> <i>(Coreper mandate 19/12/18)</i>	<b>Compromise proposal, comments</b>	<b>Row</b>
by the AMIF, the ISF and the BMVI, the information required under paragraph (3)(b) shall be reported by Fund.		<del>supported by the AMIF, the ISF and the BMVI, the information required under paragraph (3)(b) shall be reported by Fund.</del>	<del>Where the audit authority makes use of this option for programmes supported by the AMIF, the ISF and the BMVI, the information required under paragraph (3)(b) shall be reported by Fund.</del>	
5. The audit authority shall transmit to the Commission system audit reports as soon as the contradictory procedure with the relevant auditees is concluded.	<i>[No change]</i>	<i>[No change]</i>	<i>Provisional common understanding</i>  <i>[No change]</i>	V-111
6. The Commission and the audit authorities shall meet on a regular basis and at least once a year, unless otherwise agreed, to examine the audit strategy, the annual control report, the audit opinion, to coordinate their audit plans and methods and to exchange views on issues relating to the improvement of management and control systems.	<i>[No change]</i>	<i>[No change]</i>	<i>Provisional common understanding</i>  <i>[No change]</i>	V-112
	<u>Amendment 299</u>  <b><i>6a. The audit shall be carried out with reference to the applicable standard at the time of the convention of the audited operation, except when new standards are more favourable to the beneficiary.</i></b>		<i>Provisional common understanding</i>  <i>[EP amendment withdrawn]</i>	V-113

Commission proposal COM(2018)375	European Parliament position (EP amendments) (Plenary mandate 13/2/19)	Council position (Coreper mandate 19/12/18)	Compromise proposal, comments	Row
	<u>Amendment 300</u>  <b>6b. The finding of an irregularity, as part of the audit of an operation leading to a financial penalty, cannot lead to extending the scope of the control or to financial corrections beyond the expenditure covered by the accounting year of the audited expenditure.</b>		Provisional common understanding  [EP amendment withdrawn]	V-114
Article 72 Audit strategy	[No change]	[No change]	Provisional common understanding  [No change]	V-115
1. The audit authority shall prepare an audit strategy based on a risk assessment, taking account of the management and control system description provided for in Article 63(9), covering system audits and audits of operations. The audit strategy shall include system audits of newly identified managing authorities and authorities in charge of the accounting function within nine months following their first year of functioning. The audit strategy shall be prepared in accordance with the template set out in Annex XVIII and shall be updated annually following the first annual	<u>Amendment 301</u>  1. The audit authority shall, <b>after consulting the managing authority</b> , prepare an audit strategy based on a risk assessment, taking account of the management and control system description provided for in Article 63(9), covering system audits and audits of operations. The audit strategy shall include system audits of newly identified managing authorities and authorities in charge of the accounting function. <b>The audit shall be performed</b> within nine months following their first year of	1. The audit authority shall prepare an audit strategy based on a risk assessment, taking account of the management and control system description provided for in Article 63(9), covering system audits and audits of operations. The audit strategy shall include system audits of newly identified managing authorities and authorities in charge of the accounting function <del>within nine months following their first year of functioning</del> <b>and such audits shall be carried out within twenty-one months of the Commission's decision approving the programme</b>	Provisional common understanding  1. The audit authority shall, <b>after consulting the managing authority</b> , prepare an audit strategy based on a risk assessment, taking account of the management and control system description provided for in Article 63(9), covering system audits and audits of operations. The audit strategy shall include system audits of newly identified managing authorities and authorities in charge of the accounting function. <del>within nine months following their first year of functioning. Such audits shall be carried out within</del>	V-116

Commission proposal <b>COM(2018)375</b>	European Parliament position (EP amendments) <i>(Plenary mandate 13/2/19)</i>	Council position <i>(Coreper mandate 19/12/18)</i>	Compromise proposal, comments	Row
control report and audit opinion provided to the Commission. It may cover one or more programmes.	functioning. The audit strategy shall be prepared in accordance with the template set out in Annex XVIII and shall be updated annually following the first annual control report and audit opinion provided to the Commission. It may cover one or more programmes. <b><i>In the audit strategy, the audit authority may determine a limit for single account audits.</i></b>	<b>or the amendment of the programme identifying such an authority.</b> The audit strategy shall be prepared in accordance with the template set out in Annex XVIII and shall be updated annually following the first annual control report and audit opinion provided to the Commission. It may cover one or more programmes.	<b>twenty-one months of the Commission's decision approving the programme or the amendment of the programme identifying such an authority.</b> The audit strategy shall be prepared in accordance with the template set out in Annex XVIII and shall be updated annually following the first annual control report and audit opinion provided to the Commission. It may cover one or more programmes.	
2. The audit strategy shall be submitted to the Commission upon request.	<i>[No change]</i>	<i>[No change]</i>	<i>Provisional common understanding</i> <i>[No change]</i>	V-117
<i>Article 73</i> <i>Audits of operations</i>	<i>[No change]</i>	<i>[No change]</i>	<i>Provisional common understanding</i> <i>[No change]</i>	V-118
1. Audits of operations shall cover expenditure declared to the Commission in the accounting year on the basis of a sample. That sample shall be representative and based on statistical sampling methods.	<i>[No change]</i>	<i>[No change]</i>	<i>Provisional common understanding</i> <i>[No change]</i>	V-119
2. Where the population consists of less than 300 sampling units, a non-statistical sampling method may be used on the professional judgement of the audit authority. In such cases, the	<i>[No change]</i>	<i>[No change]</i>	<i>Provisional common understanding</i> <i>[No change]</i>	V-120

<b>Commission proposal COM(2018)375</b>	<b>European Parliament position (EP amendments)</b> <i>(Plenary mandate 13/2/19)</i>	<b>Council position</b> <i>(Coreper mandate 19/12/18)</i>	<b>Compromise proposal, comments</b>	<b>Row</b>
size of the sample shall be sufficient to enable the audit authority to draw up a valid audit opinion. The non-statistical sampling method shall cover a minimum of 10 % of the sampling units in the population of the accounting year, selected randomly.				
The statistical sample may cover one or more programmes receiving support from the ERDF, the Cohesion Fund and the ESF+ and, subject to stratification where appropriate, one or more programming periods according to the professional judgement of the audit authority.	<i>[No change]</i>	<i>[No change]</i>	<i>Provisional common understanding</i>  <i>[No change]</i>	V-121
The sample of operations supported by the AMIF, the ISF and the BMVI and by the EMFF shall cover operations supported by each Fund separately.	<i>[No change]</i>	<i>[No change]</i>	<i>Provisional common understanding</i>  <i>[No change]</i>	V-122

Commission proposal <b>COM(2018)375</b>	European Parliament position (EP amendments) <i>(Plenary mandate 13/2/19)</i>	Council position <i>(Coreper mandate 19/12/18)</i>	Compromise proposal, comments	Row
3. Audits of operations shall include on-the-spot verification of the physical implementation of the operation only where it is required by the type of operation concerned.	<i>[No change]</i>	<i>[No change]</i>	<i>Provisional common understanding</i>  <i>[No change]</i>	V-123
	<u>Amendment 302</u>  <b><i>In case of a disagreement between the Commission and a Member State on audit findings, a settlement procedure shall be put in place.</i></b>		<i>Provisional common understanding .</i>  <i>[EP amendment withdrawn]</i>	V-124
The ESF+ Regulation may set out specific provisions for programmes under Article [4(1)(c)(vii)] of the ESF+ Regulation.	<i>[No change]</i>	The ESF+ Regulation may set out specific provisions for programmes <b>or priorities</b> under Article [4(1)(e)( <del>viii</del> )] of the ESF+ Regulation.	<i>Provisional common understanding</i>  The ESF+ Regulation may set out specific provisions for programmes <b>or priorities</b> under Article [4(1)(e)( <del>viii</del> )] of the ESF+ Regulation.	V-125
		<b>Audits shall be conducted on the basis of the rules in force at the time when the activities within the operation were carried out.</b>	<i>Provisional common understanding</i>  <b>Audits shall be conducted on the basis of the rules in force at the time when the activities within the operation were carried out.</b>	V-126
4. The Commission is empowered to adopt a delegated act in accordance with Article 107 to supplement this Article by setting out standardised off-	<i>[No change]</i>	<i>[No change]</i>	<i>Provisional common understanding</i>  <i>[No change]</i>	V-127

Commission proposal <b>COM(2018)375</b>	European Parliament position (EP amendments) <i>(Plenary mandate 13/2/19)</i>	Council position <i>(Coreper mandate 19/12/18)</i>	Compromise proposal, comments	Row
the-shelf sampling methodologies and modalities to cover one or more programming periods.				
<i>Article 74</i> <i>Single audit arrangements</i>	<i>[No change]</i>	<i>[No change]</i>	<i>Provisional common understanding</i>  <i>[No change]</i>	V-128
1. When carrying out audits, the Commission and the audit authorities shall take due account of the principles of single audit and proportionality in relation to the level of risk to the budget of the Union. They shall avoid duplication of audits of the same expenditure declared to the Commission with the objective of minimising the cost of management verifications and audits and the administrative burden on beneficiaries.	<i>[No change]</i>	1. When carrying out audits, the Commission and the audit authorities shall take due account of the principles of single audit and proportionality in relation to the level of risk to the budget of the Union. <del>They shall</del> <b>In order to</b> avoid duplication of audits <b>and management verifications</b> of the same expenditure declared to the Commission with the objective of minimising the cost of management verifications and audits and the administrative burden on beneficiaries.	<i>Provisional common understanding</i>  1. When carrying out audits, the Commission and the audit authorities shall take due account of the principles of single audit and proportionality in relation to the level of risk to the budget of the Union. <del>They shall</del> <b>This shall be, in particular, in order to</b> avoid duplication of audits <b>and management verifications</b> of the same expenditure declared to the Commission with the objective of minimising the cost of management verifications and audits and the administrative burden on beneficiaries.	V-129
The Commission and audit authorities shall first use all information and records available in the electronic system referred to in Article 66(1)(e), including results of management verifications and only request and obtain additional documents and audit	<u>Amendment 303</u>  The Commission and audit authorities shall first use all information and records available in <del>the</del> electronic <del>system</del> <b>systems</b> referred to in Article 66(1)(e), including results of	The Commission and audit authorities shall first use all information and records <del>available in the electronic system</del> referred to in Article 66(1)(e), including results of management verifications and only request and obtain additional documents and audit	<i>Provisional common understanding</i>  The Commission and audit authorities shall first use all information and records <del>available in the electronic system</del> referred to in Article 66(1)(e), including results of management	V-130



<b>Commission proposal COM(2018)375</b>	<b>European Parliament position (EP amendments) <i>(Plenary mandate 13/2/19)</i></b>	<b>Council position <i>(Coreper mandate 19/12/18)</i></b>	<b>Compromise proposal, comments</b>	<b>Row</b>
evidence from the beneficiaries concerned where, based on their professional judgement, this is required to support robust audit conclusions.	management verifications and only request and obtain additional documents and audit evidence from the beneficiaries concerned where, based on their professional judgement, this is required to support robust audit conclusions.	evidence from the beneficiaries concerned where, based on their professional judgement, this is required to support robust audit conclusions.	verifications and only request and obtain additional documents and audit evidence from the beneficiaries concerned where, based on their professional judgement, this is required to support robust audit conclusions.	
2. For programmes for which the Commission concludes that the opinion of the audit authority is reliable and the Member State concerned participates in the enhanced cooperation on the European Public Prosecutor's Office, the Commission's own audits shall be limited to auditing the work of the audit authority.	<i>[No change]</i>	2. For programmes for which the Commission concludes that the opinion of the audit authority is reliable <del>and the Member State concerned participates in the enhanced cooperation on the European Public Prosecutor's Office</del> , the Commission's own audits shall be limited to auditing the work of the audit authority.	<i>Provisional common understanding</i>  <i>[No change]</i>	V-131
3. Operations for which the total eligible expenditure does not exceed EUR 400 000 for the ERDF and the Cohesion Fund, EUR 300 000 for the ESF+, EUR 200 000 for the EMFF, the AMIF, the ISF and the BMVI shall not be subject to more than one audit by either the audit authority or the Commission prior to the submission of the accounts for the accounting year in which the operation is completed.	<i>[No change]</i>	<i>[No change]</i>	<i>Provisional common understanding</i>  <i>[No change]</i>	V-132
Other operations shall not be subject to	<i>[No change]</i>	<i>[No change]</i>	<i>Provisional common understanding</i>	V-133

<b>Commission proposal COM(2018)375</b>	<b>European Parliament position (EP amendments)</b> <i>(Plenary mandate 13/2/19)</i>	<b>Council position</b> <i>(Coreper mandate 19/12/18)</i>	<b>Compromise proposal, comments</b>	<b>Row</b>
more than one audit per accounting year by either the audit authority or the Commission prior to the submission of the accounts for the accounting year in which the operation is completed. Operations shall not be subject to an audit by the Commission or the audit authority in any year where there has already been an audit in that year by the Court of Auditors, provided that the results of that Court of Auditors' audit for such operations can be used by the audit authority or the Commission for the purpose of fulfilling their respective tasks.			<i>[No change]</i>	
4. Notwithstanding the provisions of paragraph 3, any operation may be subject to more than one audit, if the audit authority concludes based on its professional judgment, that it is not possible to draw up a valid audit opinion.	<i>[No change]</i>	<i>[No change]</i>	<i>Provisional common understanding</i>  <i>[No change]</i>	V-134
5. Paragraphs 2 and 3 shall not apply where:	<i>[No change]</i>	<i>[No change]</i>	<i>Provisional common understanding</i>  <i>[No change]</i>	V-135
(a) there is a specific risk of irregularity or an indication of fraud;	<i>[No change]</i>	<i>[No change]</i>	<i>Provisional common understanding</i>  <i>[No change]</i>	V-136

<b>Commission proposal</b> <b>COM(2018)375</b>	<b>European Parliament position</b> <b>(EP amendments)</b> <i>(Plenary mandate 13/2/19)</i>	<b>Council position</b> <i>(Coreper mandate 19/12/18)</i>	<b>Compromise proposal, comments</b>	<b>Row</b>
(b) there is a need to re-perform the work of the audit authority for obtaining assurance as to its effective functioning;	[No change]	[No change]	Provisional common understanding  [No change]	V-137
(c)there is evidence of a serious deficiency in the work of the audit authority.	[No change]	(c) there is evidence of a serious deficiency in the work of the audit authority <sup>60</sup> .	Provisional common understanding (including recital 51)  (c) there is evidence of a serious deficiency in the work of the audit authority <sup>12</sup> .	V-138
<i>Article 75</i> <i>Management verifications and audits of financial instruments</i>	[No change]	[No change]	Provisional common understanding  [No change]	V-139
1. The managing authority shall carry out on-the-spot management verifications in accordance with Article 68(1) only at the level of bodies implementing the financial instrument and, in the context of guarantee funds,	<u>Amendment 304</u>  1. The managing authority shall carry out on-the-spot management verifications in accordance with Article 68(1) only at the level of	[No change]	Provisional common understanding  1. The managing authority shall carry out on-the-spot management verifications in accordance with Article 68(1) only at the level of bodies	V-140

<sup>60</sup> Council position: Recital (51) is complemented as follows: "The audit authority should carry out audits and ensure that the audit opinion provided to the Commission is reliable. That audit opinion should provide assurance to the Commission on three points, namely the legality and regularity of the declared expenditure, the effective functioning of the management and control systems and the completeness, accuracy and veracity of the accounts. **Where an audit based on internationally accepted audit standards providing reasonable assurance has been conducted by an independent auditor on the financial statements and reports setting out the use of a Union contribution, that audit should form the basis of the overall assurance the audit authority provides to the Commission, insofar as there is sufficient evidence of the independence and competence of the auditor in accordance with Article 127 of Regulation No. 2018/1046.**"

Commission proposal <b>COM(2018)375</b>	European Parliament position (EP amendments) <i>(Plenary mandate 13/2/19)</i>	Council position <i>(Coreper mandate 19/12/18)</i>	Compromise proposal, comments	Row
at the level of bodies delivering the underlying new loans.	bodies implementing the financial instrument and, in the context of guarantee funds, at the level of bodies delivering the underlying new loans. <b><i>Without prejudice to the provisions of Article 127 of the Financial Regulation, if the financial instrument provides control reports supporting the payment application, the managing authority may decide not to carry out on-the-spot management verifications.</i></b>		implementing the financial instrument and, in the context of guarantee funds, at the level of bodies delivering the underlying new loans. <b>The managing authority may rely on verifications carried out by external bodies and not carry out on-the-spot management verifications, provided that it has sufficient evidence of the competence of those bodies.</b>	
2. The managing authority shall not carry out on-the-spot verifications at the level of the European Investment Bank ('EIB') or other international financial institutions in which a Member State is a shareholder.	<i>[No change]</i>	<i>[No change]</i>	<i>Provisional common understanding</i>  <i>[No change]</i>	V-141
However, the EIB or other internationally financial institutions in which a Member State is a shareholder shall provide control reports supporting the payment applications to the managing authority.	<u>Amendment 305</u>  However, the EIB or other <del>internationally</del> <b>international</b> financial institutions in which a Member State is a shareholder shall provide control reports supporting the payment applications to the managing authority.	<i>[No change]</i>	<i>Provisional common understanding</i>  However, the EIB or other <del>internationally</del> <b>international</b> financial institutions in which a Member State is a shareholder shall provide control reports supporting the payment applications to the managing authority.	V-142
3. The audit authority shall carry out system audits and audits of operations	<u>Amendment 306</u>	<i>[No change]</i>	<i>Provisional common understanding .</i>	V-143

Commission proposal COM(2018)375	European Parliament position (EP amendments) (Plenary mandate 13/2/19)	Council position (Coreper mandate 19/12/18)	Compromise proposal, comments	Row
in accordance with Articles 71, 73 or 77 at the level of bodies implementing the financial instrument and, in the context of guarantee funds, at the level of bodies delivering the underlying new loans.	3. The audit authority shall carry out system audits and audits of operations in accordance with Articles 71, 73 or 77 at the level of bodies implementing the financial instrument and, in the context of guarantee funds, at the level of bodies delivering the underlying new loans. <i>Without prejudice to the provisions of Article 127 of the Financial Regulation, if the financial instrument provides the audit authority with an annual audit report drawn up by their external auditors by the end of each calendar year that covers the elements included in Annex XVII, the audit authority may decide not to carry out further audits.</i>		“3. The audit authority shall carry out system audits and audits of operations in accordance with Articles 71, 73 or 77 at the level of bodies implementing the financial instrument and, in the context of guarantee funds, at the level of bodies delivering the underlying new loans. <b>The audit results of external auditors of bodies implementing the financial instrument may be taken into account by the audit authority for the purposes of the overall assurance and on this basis, the audit authority may decide to limit its own audit work.</b> ”	

Commission proposal COM(2018)375	European Parliament position (EP amendments) <i>(Plenary mandate 13/2/19)</i>	Council position <i>(Coreper mandate 19/12/18)</i>	Compromise proposal, comments	Row
	<p><u>Amendment 307</u></p> <p><b><i>3a. In the context of guarantee funds, the bodies responsible for the audit of programmes may conduct verifications or audits of the bodies providing new underlying loans only when one or more of the following situations occur:</i></b></p> <p><b><i>(a) supporting documents, providing evidence of the support from the financial instrument to final recipients, are not available at the level of the managing authority or at the level of the bodies that implement financial instruments;</i></b></p> <p><b><i>(b) there is evidence that the documents available at the level of the managing authority or at the level of the bodies that implement financial instruments do not represent a true and accurate record of the support provided.</i></b></p>		<p><i>Provisional common understanding</i></p> <p><b>3a. In the context of guarantee funds, the bodies responsible for the audit of programmes may conduct audits of the bodies providing new underlying loans only when one or more of the following situations occur:</b></p> <p><b>(a) supporting documents, providing evidence of the support from the financial instrument to final recipients, are not available at the level of the managing authority or at the level of the bodies implementing the financial instrument;</b></p> <p><b>(b) there is evidence that the documents available at the level of the managing authority or at the level of the bodies implementing the financial instrument do not represent a true and accurate record of the support provided.</b></p>	V-144
4. The audit authority shall not carry out audits at the level of the EIB or other international financial institutions in which a Member State is a shareholder, for financial instruments	[No change]	[No change]	<p><i>Provisional common understanding</i></p> <p>[No change]</p>	V-145

<b>Commission proposal COM(2018)375</b>	<b>European Parliament position (EP amendments) (Plenary mandate 13/2/19)</b>	<b>Council position (Coreper mandate 19/12/18)</b>	<b>Compromise proposal, comments</b>	<b>Row</b>
implemented by them.				
However, the EIB or other international financial institutions in which a Member State is a shareholder shall provide to the Commission and to the audit authority an annual audit report drawn up by their external auditors by the end of each calendar year. This report shall cover the elements included in Annex XVII.	<i>[No change]</i>	However, the EIB or other international financial institutions in which a Member State is a shareholder shall provide to the Commission and to the audit authority an annual audit report drawn up by their external auditors by the end of each calendar year. This report shall cover the elements included in Annex XVII, <b>and constitute the basis for the Audit Authority's work.</b>	<i>Provisional common understanding</i>  However, the EIB or other international financial institutions in which a Member State is a shareholder shall provide to the Commission and to the audit authority an annual audit report drawn up by their external auditors by the end of each calendar year. This report shall cover the elements included in Annex XVII, <b>and constitute the basis for the audit authority's work.</b>	V-146
5. The EIB or other international financial institutions shall provide to the programme authorities all the necessary documents to enable them to fulfil their obligations.	<i>[No change]</i>	<i>[No change]</i>	<i>Provisional common understanding</i>  <i>[No change]</i>	V-147
<i>Article 76 Availability of documents</i>	<i>[No change]</i>	<i>[No change]</i>	<i>Provisional common understanding</i>  <i>[No change]</i>	V-148
1. Without prejudice to the rules governing State aid, the managing authority shall ensure that all supporting documents related to an operation supported by the Funds are kept at the appropriate level for a five-	<u>Amendment 308</u>  1. Without prejudice to the rules governing State aid, the managing authority shall ensure that all supporting documents related to an	<i>[No change]</i>	<i>Provisional common understanding</i>  <i>EP amendment withdrawn.</i>	V-149

<b>Commission proposal COM(2018)375</b>	<b>European Parliament position (EP amendments)</b> <i>(Plenary mandate 13/2/19)</i>	<b>Council position</b> <i>(Coreper mandate 19/12/18)</i>	<b>Compromise proposal, comments</b>	<b>Row</b>
year period from 31 December of the year in which the last payment by the managing authority to the beneficiary is made.	operation supported by the Funds are kept at the appropriate level for a <del>five-year</del> <b>three-year</b> period from 31 December of the year in which the last payment by the managing authority to the beneficiary is made.			
2. This time period shall be interrupted either in the case of legal proceedings or by a request of the Commission.	<i>[No change]</i>	<i>[No change]</i>	<i>Provisional common understanding</i> <i>[No change]</i>	V-150
	<u>Amendment 309</u>  <b><i>2a. The document retention period may be reduced, proportionally to the risk profile and the size of beneficiaries, by decision of the managing authority.</i></b>		<i>Provisional common understanding</i>  <i>EP amendment withdrawn.</i>	V-151
<b>CHAPTER III</b> <b>Reliance on national management systems</b>	<i>[No change]</i>	<i>[No change]</i>	<i>Provisional common understanding</i> <i>[No change]</i>	V-152
<i>Article 77</i> <i>Enhanced proportionate arrangements</i>	<i>[No change]</i>	<i>[No change]</i>	<i>Provisional common understanding</i> <i>[No change]</i>	V-153
The Member State may apply the following enhanced proportionate arrangements for the management and control system of a programme when the conditions set out in Article 78 are	<i>[No change]</i>	<i>[No change]</i>	<i>Provisional common understanding</i> <i>[No change]</i>	V-154



Commission proposal <b>COM(2018)375</b>	European Parliament position <b>(EP amendments)</b> <i>(Plenary mandate 13/2/19)</i>	Council position <i>(Coreper mandate 19/12/18)</i>	Compromise proposal, comments	Row
fulfilled:				
(a) by way of derogation from Article 68(1)(a) and 68(2), the managing authority may apply only national procedures to carry out management verifications;	<i>[No change]</i>	<i>[No change]</i>	Provisional common understanding  <i>[No change]</i>	V-155
(b) by way of derogation from Article 73(1) and (3), the audit authority may limit its audit activity to a statistical sample of 30 sampling units for the programme or group of programmes concerned;	<i>[No change]</i>	(b) by way of derogation from Article <b>71(1) regarding system audits and Article 73(1) and (3), regarding audits of operations</b> , the audit authority may limit its audit activity to <b>audits of operations covering a sample based on</b> a statistical sample selection of 30 sampling units for the programme or group of programmes concerned;	Provisional common understanding  (b) by way of derogation from Article <b>71(1) regarding system audits and Article 73(1) and (3), regarding audits of operations</b> , the audit authority may limit its audit activity to <b>audits of operations covering a sample based on</b> a statistical sample selection of 30 sampling units for the programme or group of programmes concerned;	V-156

<b>Commission proposal COM(2018)375</b>	<b>European Parliament position (EP amendments)</b> <i>(Plenary mandate 13/2/19)</i>	<b>Council position</b> <i>(Coreper mandate 19/12/18)</i>	<b>Compromise proposal, comments</b>	<b>Row</b>
(c) the Commission, shall limit its own audits to a review of the work of the audit authority through re-performance at its level only, unless available information suggests a serious deficiency in the work of the audit authority.	<i>[No change]</i>	<i>[No change]</i>	<i>Provisional common understanding</i>  <i>[No change]</i>	V-157
		<b>For the purposes of management verifications referred to in point (a), the managing authority may rely on verifications carried out by external bodies provided that it has sufficient evidence of the competence of those bodies.</b>	<i>Provisional common understanding</i>  <b>For the purposes of management verifications referred to in point (a), the managing authority may rely on verifications carried out by external bodies provided that it has sufficient evidence of the competence of those bodies.</b>	V-158
For point (b), where the population consists of less than 300 sampling units, the audit authority may apply a non-statistical sampling method in accordance with Article 73(2).	<i>[No change]</i>	<i>[No change]</i>	<i>Provisional common understanding</i>  <i>[No change]</i>	V-159
<i>Article 78</i> <i>Conditions for application of enhanced proportionate arrangements</i>	<i>[No change]</i>	<i>[No change]</i>	<i>Provisional common understanding</i>  <i>[No change]</i>	V-160

<b>Commission proposal COM(2018)375</b>	<b>European Parliament position (EP amendments)</b> <i>(Plenary mandate 13/2/19)</i>	<b>Council position</b> <i>(Coreper mandate 19/12/18)</i>	<b>Compromise proposal, comments</b>	<b>Row</b>
1. The Member State may apply the enhanced proportionate arrangements set out in Article 77 at any time during the programming period, where the Commission has confirmed in its published annual activity reports for the last two years preceding the Member State's decision to apply the provisions of this Article, that the programme's management and control system is functioning effectively and that the total error rate for each year is below 2 %. When assessing the effective functioning of the programme's management and control system, the Commission shall take into account the participation of the Member State concerned in the enhanced cooperation on the European Public Prosecutor's Office.	<i>[No change]</i>	<i>[No change]</i>	<i>Provisional common understanding</i>  <i>[No change]</i>	V-161
Where a Member State decides to use this option, it shall notify the Commission on the application of the proportionate arrangements set out in Article 77 which shall apply from the start of the subsequent accounting year.	<i>[No change]</i>	<i>[No change]</i>	<i>Provisional common understanding</i>  <i>[No change]</i>	V-162

<b>Commission proposal COM(2018)375</b>	<b>European Parliament position (EP amendments)</b> <i>(Plenary mandate 13/2/19)</i>	<b>Council position</b> <i>(Coreper mandate 19/12/18)</i>	<b>Compromise proposal, comments</b>	<b>Row</b>
2. At the start of the programming period, the Member State may apply the arrangements referred to in Article 77, provided that the conditions set out in paragraph 1 of this Article are met with respect to a similar programme implemented in 2014-2020 and where the management and control arrangements established for the 2021-2027 programme build largely on those for the previous programme. In such cases, the enhanced proportionate arrangements will apply from the start of the programme.	<i>[No change]</i>	<i>[No change]</i>	<i>Provisional common understanding</i>  <i>[No change]</i>	V-163
3. The Member State shall establish or update accordingly the description of the management and control system and the audit strategy described in Articles 63(9) and 72.	<i>[No change]</i>	<i>[No change]</i>	<i>Provisional common understanding</i>  <i>[No change]</i>	V-164
<i>Article 79</i> <i>Adjustment during the programming period</i>	<i>[No change]</i>	<i>[No change]</i>	<i>Provisional common understanding</i>  <i>[No change]</i>	V-165
1. Where the Commission or the audit authority conclude, based on the audits carried out and the annual control report, that the conditions set out in Article 78 are no longer fulfilled, the Commission shall request the audit authority to carry out additional audit	<i>[No change]</i>	1. Where the Commission or the audit authority conclude, based on the audits carried out and the annual control report, that the conditions set out in Article 78 are no longer fulfilled, the Commission shall request	<i>Provisional common understanding</i>  1. Where the Commission or the audit authority conclude, based on the audits carried out and the annual control report, that the conditions set out in	V-166

Commission proposal COM(2018)375	European Parliament position (EP amendments) <i>(Plenary mandate 13/2/19)</i>	Council position <i>(Coreper mandate 19/12/18)</i>	Compromise proposal, comments	Row
work in accordance with Article 63(3) and take remedial actions.		the audit authority to carry out additional audit work in accordance with Article 63(3) and <del>take</del> <b>satisfy itself that</b> remedial actions <b>are taken</b> .	Article 78 are no longer fulfilled, the Commission shall request the audit authority to carry out additional audit work in accordance with Article 63(3) and <del>take</del> <b>satisfy itself that</b> remedial actions <b>are taken</b> .	
2. Where the subsequent annual control report confirms that the conditions continue not to be fulfilled, thus limiting the assurance provided to the Commission on the effective functioning of the management and control systems and of the legality and regularity of expenditure, the Commission shall request the audit authority to carry out system audits.	<i>[No change]</i>	<i>[No change]</i>	<i>Provisional common understanding</i>  <i>[No change]</i>	V-167
3. The Commission may, after having given to the Member State the opportunity to present its observations, inform the Member State that the enhanced proportionate arrangements set out in Article 77 shall no longer be applied.	<i>[No change]</i>	3. The Commission may, after having given to the Member State the opportunity to present its observations, inform the Member State that the enhanced proportionate arrangements set out in Article 77 shall no longer be applied- <b>from the start of the subsequent accounting year</b> .	<i>Provisional common understanding</i>  3. The Commission may, after having given to the Member State the opportunity to present its observations, inform the Member State that the enhanced proportionate arrangements set out in Article 77 shall no longer be applied- <b>from the start of the subsequent accounting year</b> .	V-168

<b>Commission proposal COM(2018)375</b>	<b>European Parliament position (EP amendments) <i>(Plenary mandate 13/2/19)</i></b>	<b>Council position <i>(Coreper mandate 19/12/18)</i></b>	<b>Compromise proposal, comments</b>	<b>Row</b>
<b>ANNEXES<sup>61</sup></b>	<b>ANNEXES<sup>9</sup></b>	<b>ANNEXES<sup>9</sup></b>		V-169
Table 7 of Annex VII		<b>ANNEX VIIbis</b>		V-170
ANNEX X: Key requirements of management and control systems and their classification - Article 63(1)				V-171
ANNEX XI: Elements for the audit trail – Article 63(5)				V-172
ANNEX XII: E-Cohesion: electronic data exchange systems between programme authorities and beneficiaries - Article 63(7)				V-173
ANNEX XIII: SFC2021: electronic data exchange system between the Member States and the Commission – Article 63(8)				V-174
ANNEX XIV: Template for the description of the management and control system – Article 63(9)				V-175
ANNEX XV: Template for the management declaration – Article 68(1)(f)				V-176

<sup>61</sup> Detailed changes proposed by the co-legislators in the core text of the Annexes will be discussed using a separate document.

<b>Commission proposal COM(2018)375</b>	<b>European Parliament position (EP amendments)</b> <i>(Plenary mandate 13/2/19)</i>	<b>Council position</b> <i>(Coreper mandate 19/12/18)</i>	<b>Compromise proposal, comments</b>	<b>Row</b>
ANNEX XVI: Template for audit opinion – Art 71(3)(a)				V-177
ANNEX XVII: Template for the annual control report – Art 71(3)(b)				V-178
ANNEX XVIII: Template for audit strategy – Article 72				V-179
		<b>ANNEX YZ: Criteria for determining the cases of irregularity to be reported and the data to be provided as well as the format to be used for reporting of irregularities - Article 63(10)</b>		V-180
		<b>ANNEX XYZ Electronic data to be recorded and stored referred to in point (e) of paragraph 1 - Article 66(4)</b>		V-181