

European Fisheries Fund (EFF): increased payments for certain Member States

2011/0212(COD) - 14/03/2012 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted by 617 votes to 19, with 9 abstentions, a legislative resolution on the proposal for a regulation of the European Parliament and of the Council amending Council Regulation (EC) No 1198/2006 on the European Fisheries Fund, as regards certain provisions relating to financial management for certain Member States experiencing or threatened with serious difficulties with respect to their financial stability.

Parliament adopted its position at first reading following the ordinary legislative procedure. The amendments adopted in plenary are the result of a compromise negotiated between the European Parliament and the Council. They amend the Commission proposal as follows:

Taking into account the future European Financial Stability Mechanism: the resolution stipulates that the Regulation should already take into account the future European stability mechanism which will assume, by 2013, the tasks currently performed by the European Financial Stability Facility and the European Financial Stabilisation Mechanism.

Derogation: a Member State making a request to the Commission to benefit from the derogation allowing an increase in payments from the Fund must **submit a written request to the Commission** within two months from the entry into force of the Regulation or within two months from the date on which a Member State meets one of the conditions laid down in the Regulation.

The amended text states that the temporary increase in interim payments should be considered in the context of the budgetary restraints facing all Member States. In addition, since the main purpose of the mechanism is to address specific current difficulties, its application should be limited in time. Therefore **the application of the mechanism should start on 1 January 2010 and its duration should be limited until 31 December 2013.**

In a recital, it is specified that as a result of the increase in payments there must be a **corresponding reduction in the national counterpart**. Due to the temporary nature of that increase and in order to maintain the original co-financing rates as the reference point for calculation of the temporarily increased amounts, the changes resulting from application of the mechanism should not be reflected in the financial plan included in the operational programmes. However, it should be possible to update operational programme in order to concentrate the funds on competitiveness, growth and employment and in order to align their targets and objectives with the decrease of total funding available.

Payment of final balance: an amendment states that **payments of the final balance shall be increased**, by an amount corresponding to ten percentage points above the co-financing rate applicable to each priority axis **up to a maximum of 100%.**

Justification for a derogation: the Member State making a request to the Commission to benefit from the derogation under the Regulation should clearly specify, in its request, the date from which it considers the derogation to be justified. The Member State concerned should submit all **the information necessary** to enable the Commission to establish:

- by means of data on the Member State's macroeconomic and fiscal situation, that resources for the national counterpart are unavailable;

- that an increase of payments resulting from the granting of the derogation is necessary to safeguard the continued implementation of operational programmes;
- that the absorption capacity problems persist even if the maximum ceilings applicable to co-financing are used;
- the reference to the relevant Council Decision or other legal act pursuant to which it is eligible to benefit from the derogation.

The Commission must **examine and verify the correctness of the information submitted** and raise any objection. In order to make the derogation effective and operational, there should be a presumption that a Member State's request is justified if the Commission does not raise an objection. If the Commission objects to the Member State request, it should adopt a decision to this effect, stating reasons.

The Commission shall verify whether the information submitted justifies granting a derogation. It shall raise any objection as to that information within 30 days from the day of submission of the request. If the Commission decides to object to the Member State's request, the Commission shall adopt a decision, to this effect and shall state reasons. If the Commission does not raise an objection to the Member State's request, that request shall be deemed to be justified.

Intended use of the derogation: the Member State's request shall also detail the intended use of the derogation, and shall give information about complementary measures envisaged in order to concentrate the funds on competitiveness, growth and employment, including, where appropriate, a modification of operational programmes.

The increased interim payments shall be made available **within the shortest period of time** to the managing authority and shall only be used for making payments in connection with the implementation of the operational programme.

Retroactive application: the Regulation shall apply retroactively to the following Member States: (i) in the cases of Ireland, Greece and Portugal, with effect from the day when the financial assistance was made available to those Member States; (ii) in the cases of Hungary, Latvia and Romania, with effect from 1 January 2010.