

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

2011/0212(COD) - 19/04/2012 - Final act

PURPOSE: to help those Member States most affected by the financial crisis to continue their programmes on the ground funded by the European Fisheries Fund (EFF) so as to inject funds into the economy.

LEGISLATIVE ACT: Regulation (EU) No 387/2012 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.

CONTENT: the Council adopted an amendment to regulation 1198/2006 on the European fisheries fund (EFF), as regards certain provisions relating to financial management for certain Member States experiencing or threatened with serious difficulties with respect to their financial stability, following a first reading agreement with the European Parliament.

The unprecedented global financial crisis and the unprecedented economic downturn have seriously damaged economic growth and financial stability and have provoked a strong deterioration in financial and economic conditions in several Member States. In particular, certain Member States are experiencing or are threatened with serious difficulties, notably problems concerning their economic growth and financial stability and a deterioration in their deficit and debt position, due to the international economic and financial environment.

These provisions **cover five Member States which have been most affected by the crisis** and have received financial assistance under a programme from the balance of payments mechanism for non-euro countries (Romania and Latvia) or from the European financial stabilisation mechanism (EFSM) for the euro countries (Portugal, Greece and Ireland).

Higher contribution rates: the Regulation will allow the Commission to approve higher contribution rates from the EU through the EFF for Member States facing serious difficulties with respect to the financial stability, for as long as they are under financial support mechanisms.

In order to facilitate the management of Union funding, to help accelerate investments in Member States and regions and to increase the impact of funding on the economy, the Regulation allows, in justified cases, **temporarily** and without prejudice to the 2014 to 2020 programming period, an increase of interim payments from the European Fisheries Fund by an amount corresponding to **10 percentage points above the co-financing rate** applicable for each priority axis for Member States that are facing serious difficulties with respect to their financial stability and that have requested to benefit from this measure, resulting in a corresponding reduction in the national counterpart.

Justification: the Member State making a request to the Commission to benefit from a derogation under this Regulation 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 not available;

- **show that an increase of payments resulting from the granting of the derogation is necessary** to safeguard the continued implementation of operational programmes and that the absorption capacity problems persist even if the maximum ceilings applicable to co-financing rates.

Verification by the Commission: the Commission shall verify whether the information submitted justifies granting a derogation. If the Commission decides to object to the Member State's request, it shall, by means of implementing acts, adopt a decision to this effect and shall state reasons.

Limited duration: since the main purpose of the mechanism is to address specific current difficulties, its application should be limited in time. Therefore, the mechanism should start to apply on 1 January 2010 and should operate for a limited period **until 31 December 2013**.

This regulation belongs to a package of three regulations covering the same five Member States and concerning, in addition to the EFF, the [European agriculture fund for rural development](#) (EAFRD) and the [structural and cohesion funds](#).

ENTRY INTO FORCE: 16/05/2012. This Regulation shall apply retroactively to the following Member States: (a) in the cases of Ireland, Greece and Portugal, with effect from the date when the financial assistance was made available to those Member States; (b) in the cases of Hungary, Latvia and Romania, with effect from 1 January 2010.