

Financial assistance to Member States to cover serious financial burden inflicted on them following a withdrawal of the United Kingdom from the Union without an agreement

2019/0183(COD) - 24/10/2019 - Text adopted by Parliament, partial vote at 1st reading/single reading

The European Parliament adopted by 511 votes to 64, with 66 abstentions, amendments to the proposal for a regulation of the European Parliament and of the Council amending Council Regulation (EC) No 2012/2002 in order to provide financial assistance to Member States to cover serious financial burden inflicted on them following a withdrawal of the United Kingdom from the Union without an agreement.

The matter was referred back to the committee responsible for inter-institutional negotiations.

As a reminder, the Commission has proposed to amend the Regulation on the European Union Solidarity Fund in order to add Brexit to the circumstances justifying the disbursement of the Fund (the Fund currently covers only natural disasters).

The main amendments adopted in plenary concern the following points:

Objective

Parliament considered that the amendment of Regulation (EC) No 2012/2002 shall aim to support public expenditure related to Brexit in order to mitigate the economic and social consequences of the United Kingdom's withdrawal from the Union without agreement. The assistance shall be used to mitigate serious financial burden, inflicted or to be inflicted on the Member States in preparation for, or as a direct consequence of, the withdrawal of the United Kingdom from the Union without an agreement.

Scope and eligibility

Parliament stated that the available appropriations for this goal shall be limited to 30 % of the maximum available amount for the Fund intervention for the years 2019 and 2020. Such assistance shall cover a part of the additional public expenditure incurred exclusively between 1 January 2019 and 31 December 2020 in preparation for, or as a consequence of, a withdrawal without an agreement.

A Member State shall be eligible to apply for assistance under this Article, if the financial burden it has suffered is estimated to be either over EUR 750 million (EUR 1.5 billion according to the proposal) in 2011 prices, or more than 0.15 % of its GNI. Such assistance may be used, for example, to provide support to businesses and workers affected by the withdrawal without an agreement. Expenditure eligible for financing under the European Globalisation Adjustment Fund shall not be financed under this Regulation.

Procedure

The responsible national authorities of a Member State may submit a single application to the Commission for a financial contribution from the Fund by 30 June 2020 at the latest. The Commission shall develop, by 31 December 2019, guidelines on how to effectively access and implement the Fund.

After 30 June 2020, the Commission shall assess on the basis of the information, for all applications received, whether the conditions for mobilising the Fund are met in each case and shall determine the amounts of any possible financial contribution from the Fund within the limits of the financial resources available.

Assistance from the Fund shall be awarded to the Member States meeting the eligibility criteria, at a rate of up to 10 % (as opposed to 5%) of the inflicted financial burden, and within the limits of the budget available.

Ad hoc instrument

The Commission, on the one hand, and the European Parliament and the Council, on the other hand, shall endeavour to minimise the time taken to mobilise the Fund and shall commit to proposing, in as short a time as possible, a purpose-made instrument to tackle such emergency.