Basic information

2018/0322(COD) COD - Ordinary legislative procedure (ex-codecision procedure) Regulation	Procedure completed
European Structural and Investment Funds: adjustment of annual pre-financing for the years 2021 to 2023 Amending Regulation (EU) No 1303/2013 2011/0276(COD) **Subject** 3.10.01.02 Rural development, European Agricultural Fund for Rural Development (EAFRD) 3.15.17 European Maritime and Fisheries Fund (EMFF) 4.10.15 European Social Fund (ESF), Fund for European Aid to the Most Deprived (FEAD) 4.70.02 Cohesion policy, Cohesion Fund (CF) 4.70.07 European Regional Development Fund (ERDF)	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
REGI Regional Development	MOŻDŻANOWSKA Andżelika Anna (ECR)	22/11/2018
	Shadow rapporteur KREHL Constanze (S&D) OMARJEE Younous (GUE/NGL) ROPĖ Bronis (Verts/ALE)	

Former committee responsible	Former rapporteur	Appointed
REGI Regional Development	PIOTROWSKI Mirosław (ECR)	22/11/2018

Former committee for opinion	Former rapporteur for opinion	Appointed
BUDG Budgets	The committee decided not to give an opinion.	
EMPL Employment and Social Affairs	The committee decided not to give an opinion.	
PECH Fisheries	The committee decided not to give an opinion.	

Council of the European Union	
European Commission	**Commission DG** / **Commissioner** Regional and Urban Policy / CREȚU Corina
European Economic and Social Committee	
European Committee of the Regions	

Key events

Date	Event	Reference	Summary
07/09/2018	Legislative proposal published	COM(2018)0614	Summary
13/09/2018	Committee referral announced in Parliament, 1st reading		
21/03/2019	Vote in committee, 1st reading		
25/03/2019	Committee report tabled for plenary, 1st reading	A8-0181/2019	Summary
04/04/2019	Decision by Parliament, 1st reading	T8-0355/2019	Summary
04/04/2019	Results of vote in Parliament		
02/10/2019	Committee decision to open interinstitutional negotiations after 1st reading in Parliament		
09/10/2019	Committee decision to enter into interinstitutional negotiations announced in plenary (Rule 73)		
19/10/2020	End of procedure in Parliament		
21/10/2020	Act adopted by Council after Parliament's 1st reading		
21/10/2020	Final act signed		
26/10/2020	Final act published in Official Journal		

Technical information

Procedure reference	2018/0322(COD)
Procedure type	COD - Ordinary legislative procedure (ex-codecision procedure)
Procedure subtype	Legislation
Legislative instrument	Regulation
Amendments and repeals	Amending Regulation (EU) No 1303/2013 2011/0276(COD)
Legal basis	Treaty on the Functioning of the European Union TFEU 177-p1
Other legal basis	Rules of Procedure EP 165
Mandatory consultation of other institutions	European Economic and Social Committee European Committee of the Regions
Stage reached in procedure	Procedure completed

Committee dossier	REGI/8/14541

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE628.433	14/01/2019	
Amendments tabled in committee		PE636.133	21/02/2019	
Committee report tabled for plenary, 1st reading/single reading		A8-0181/2019	25/03/2019	Summary
Text adopted by Parliament, 1st reading/single reading		T8-0355/2019	04/04/2019	Summary

Council of the EU

Document type	Reference	Date	Summary
Draft final act	00033/2020/LEX	21/10/2020	

European Commission

Document type	Reference	Date	Summary
Legislative proposal	COM(2018)0614	07/09/2018	Summary
Commission response to text adopted in plenary	SP(2019)443	12/06/2019	
For information	COM(2020)0648	08/10/2020	

National parliaments

Document type	Parliament /Chamber	Reference	Date	Summary
Contribution	ES_PARLIAMENT	COM(2018)0614	27/09/2018	

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
EESC	Economic and Social Committee: opinion, report	CES4700/2018	23/01/2019	

Additional information

Source	Document	Date
European Commission	EUR-Lex	

Final act

Regulation 2020/1542
OJ L 356 26.10.2020, p. 0001

European Structural and Investment Funds: adjustment of annual pre-financing for the years 2021 to 2023

2018/0322(COD) - 04/04/2019 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted by 443 votes to 68, with 8 abstentions, a legislative resolution on the proposal for a regulation of the European Parliament and of the Council amending Regulation (EU) No 1303/2013 as regards the adjustment of annual pre-financing for the years 2021 to 2023.

The proposal to amend Regulation (EU) No 1303/2013 laying down common provisions for the European Structural and Investment Funds (ESI Fund) aims to reduce the annual pre-financing from 3% of the amount of support provided by the Funds and the European Maritime and Fisheries Fund (EMFF) for the operational programme for the whole programming period to 1% for the years 2021-2023.

The annual pre-financing for the year 2020 shall be maintained at 3% of the amount of the support from the Funds and the EMFF for the whole programming period to the operational programme.

The European Parliament's position adopted at first reading under the ordinary legislative procedure amended the Commission proposal by proposing to set the annual pre-financing rate at 2% (instead of 1%) for the period 2021-2023.

European Structural and Investment Funds: adjustment of annual pre-financing for the years 2021 to 2023

2018/0322(COD) - 07/09/2018 - Legislative proposal

PURPOSE: reduce the annual pre-financing rate for the years 2021 to 2023 (European Structural and Investment Funds).

PROPOSED ACT: Regulation of the European Parliament and of the Council.

ROLE OF THE EUROPEAN PARLIAMENT: the European Parliament decides in accordance with the ordinary legislative procedure on an equal footing with the Council.

BACKGROUND: Regulation (EU) No 1303/2013 of the European Parliament and of the Council defines the common rules applicable to the European Structural and Investment Funds (ESI Funds).

Evidence suggests that the **annual pre-financing paid to Member States** for a given accounting year and cleared with the acceptance of accounts is **set at a particularly high level** in comparison with financial management requirements stemming from the implementation of operational programmes; this is in particular the case for the budgetary years 2021 to 2023.

This means in practice that payment credits are requested from Member States from payment appropriations in the Union's budget to pay to them annual pre-financing that a year later has to be recovered to a significant extent.

Therefore, in order to ease the pressure on payment appropriations in the Union budget for the budgetary years 2021 to 2023 and to enhance the predictability of payment requirements, the Commission proposes that for the last three years of the current implementation period 2021-2023, the annual pre-financing is reduced to the necessary minimum.

IMPACT ASSESSMENT: the proposal is not expected to have significant economic, social or environmental impacts. It will result in reducing the annual pre-financing for the proposed years, which will contribute to increasing the predictability of budgetary planning, to a more stable and predictable payment profile, to the reduction of the risk of payment backlogs, to increased transparency in payment needs and, therefore, to better budgetary management.

CONTENT: the proposal to amend Regulation (EU) No 1303/2013 aims to **decrease the annual pre-financing from 3%** of the amount of the support from the Funds and the European Maritime and Fisheries Fund ('EMFF') for the whole programming period to the operational programme **to 1% for the years 2021-2023.**

The annual pre-financing for the year **2020 is maintained at 3%** of the amount of the support from the Funds and the EMFF for the whole programming period to the operational programme.

BUDGETARY IMPLICATIONS: the proposal has no impact on commitment appropriations since no modification is proposed to the maximum amounts of the ESI Funds financing provided for in the operational programmes for the programming period 2014-2020.

The amendment proposed will contribute to a reduction in payment appropriations related to the year 2021 entirely due to the reduction of the annual pre-financing amounts which will be compensated by higher payment needs for the year 2024. For the years 2022 and 2023, lower annual pre-financing will be offset in the framework of the examination and acceptance of accounts, therefore the effect is neutral.

European Structural and Investment Funds: adjustment of annual pre-financing for the years 2021 to 2023

2018/0322(COD) - 25/03/2019 - Committee report tabled for plenary, 1st reading/single reading

The Committee on Regional Development adopted the report by Mirosław PIOTROWSKI (ECR, PL) on the proposal for a regulation of the European Parliament and of the Council amending Regulation (EU) No 1303/2013 as regards the adjustment of the annual pre-financing for the years 2021 to 2023.

The committee recommended that the European Parliament's position adopted at first reading under the ordinary legislative procedure should amend the Commission's proposal by setting the annual pre-financing rate at 2% (instead of 1% in the European Commission's proposal) for the period 2021-2023.

As a reminder, on 7 September 2018, the Commission submitted a new proposal to amend the current Common Provisions Regulation (CPR) for 2014-2020. That amendment concerns the pre-financing rates for the years 2021-2023 under the 2014-2020 programmes.

Therefore, for 2021-2023, which corresponds to the last three years of the current implementation period and overlaps with the next implementation period starting in 2021, the Commission proposes that annual pre-financing should be reduced. This approach results from the proposal for the 2021-2027 period, where it is intended that only initial pre-financing should be paid, in six annual tranches.

In the explanatory memorandum accompanying the report, the rapporteur considers that the Commission's proposal to reduce the annual pre-financing rate for the period 2021-2023 from 3% of the amount of Fund support to 1% goes too far and that it is more appropriate to set the annual pre-financing rate at 2% for the cash flow requirements for the implementation of the Programme. This pre-financing rate takes into account the expected increasing number of interim payment claims, the addition of the performance reserve to the basis for the calculation of pre-financing, and the new pre-financing available under the 2021-2027 programming period.