

Procedure file

Basic information	
<p>COD - Ordinary legislative procedure (ex-codecision procedure) Regulation</p> <p>2011/0212(COD)</p>	Procedure completed
<p>European Fisheries Fund (EFF): increased payments for certain Member States</p> <p>Amending Regulation (EC) No 1198/2006 2004/0169(CNS)</p> <p>Subject 3.15.16 Financial Instrument for Fisheries Guidance (FIFG), European Fisheries Fund (EFF) 8.70 Budget of the Union 8.70.03 Budgetary control and discharge, implementation of the budget</p>	

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	PECH Fisheries	Shadow rapporteur	
		PPE CADEC Alain S&D RODUST Ulrike ALDE BILBAO BARANDICA Izaskun Verts/ALE ROMEVA I RUEDA Raül	
	Committee for opinion	Rapporteur for opinion	Appointed
	CONT Budgetary Control	The committee decided not to give an opinion.	
	BUDG Budgets	The committee decided not to give an opinion.	
Council of the European Union	Council configuration	Meeting	Date
	Transport, Telecommunications and Energy	3156	22/03/2012
European Commission	Commission DG	Commissioner	
	Maritime Affairs and Fisheries	DAMANAKI Maria	
European Economic and Social Committee			

Key events			
01/08/2011	Legislative proposal published	COM(2011)0484	Summary
13/09/2011	Committee referral announced in Parliament, 1st reading		
20/12/2011	Vote in committee, 1st reading		
21/12/2011	Committee report tabled for plenary, 1st	A7-0447/2011	Summary

	reading		
13/03/2012	Debate in Parliament		
14/03/2012	Results of vote in Parliament		
14/03/2012	Decision by Parliament, 1st reading	T7-0074/2012	Summary
22/03/2012	Act adopted by Council after Parliament's 1st reading		
19/04/2012	Final act signed		
19/04/2012	End of procedure in Parliament		
16/05/2012	Final act published in Official Journal		

Technical information

Procedure reference	2011/0212(COD)
Procedure type	COD - Ordinary legislative procedure (ex-codecision procedure)
Procedure subtype	Legislation
Legislative instrument	Regulation
	Amending Regulation (EC) No 1198/2006 2004/0169(CNS)
Legal basis	Treaty on the Functioning of the EU TFEU 043-p2
Other legal basis	Rules of Procedure EP 159
Mandatory consultation of other institutions	European Economic and Social Committee
Stage reached in procedure	Procedure completed
Committee dossier	PECH/7/06703

Documentation gateway

Legislative proposal	COM(2011)0484	01/08/2011	EC	Summary
Committee draft report	PE475.789	27/10/2011	EP	
Economic and Social Committee: opinion, report	CES1590/2011	27/10/2011	ESC	
Amendments tabled in committee	PE476.096	28/11/2011	EP	
Committee report tabled for plenary, 1st reading/single reading	A7-0447/2011	21/12/2011	EP	Summary
Text adopted by Parliament, 1st reading/single reading	T7-0074/2012	14/03/2012	EP	Summary
Draft final act	00001/2012/LEX	19/04/2012	CSL	
Commission response to text adopted in plenary	SP(2012)323	02/05/2012	EC	

Additional information

National parliaments	IPEX
European Commission	EUR-Lex

Final act

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

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.

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

BACKGROUND: the deepening of the financial crisis in some of the Member States is affecting substantially the real economy due to the amount of debt and the difficulties encountered by Governments to borrow money from the market. In this context, the proper implementation of programmes funded by the EFF is of particular importance because it facilitates financial assistance to the real economy.

Nonetheless, the implementation of the programmes is often challenging as a result of the liquidity problems resulting from budget constraints. This is particularly the case for those Member States which have been most affected by the crisis and have received financial assistance under a programme from the European Financial Stabilisation Mechanism (EFSM) for the euro countries or from the Balance of Payments (BoP) mechanism for non euro countries.

To date, six countries have requested financial assistance under these mechanisms and have agreed with the Commission a macro-economic adjustment programme: Hungary, Romania, Latvia, Portugal, Greece and Ireland. These Member States (and indeed any other Member State which may be concerned in the future by such assistance programmes) should receive help to continue the implementation of the programmes funded by the EFF by increasing the sums allocated to the countries concerned for the period for which they are under the support mechanisms.

IMPACT ASSESSMENT: the proposal would allow the Commission to increase payments to the countries concerned, for the period they are under the support mechanisms.

LEGAL BASIS: Article 43(2) of the Treaty on the Functioning of the European Union (TFEU).

CONTENT: in order to ensure that these Member States continue the implementation of the EFF programmes on the ground and disburse funds to projects, the current proposal contains provisions that would allow the Commission to make increased payments to these countries, for the period they are under the support mechanisms.

It is proposed to amend Council Regulation (EC) No 1198/2006 on the European Fisheries Fund so as to enable the Commission to reimburse the newly declared expenditure for the period in question by an increased amount calculated by applying a 10 percentage point top-up of the applicable co-financing rates for the priority axis.

In applying the top-up, the co-financing rate of the programme cannot exceed by more than 10 percentage points the maximum ceilings of the EFF Regulation. In any case, contribution from the funds to the priority axis concerned cannot be higher than the amount mentioned in the Commission decision.

This will be a temporary measure which will be terminated once the Member State exits the support mechanism.

BUDGETARY IMPACT: there is no impact on commitment appropriations since no modification is proposed to the maximum amounts of the European Fisheries Fund financing provided for in the Operational Programmes for the programming period 2007-2013.

For payment appropriations in 2012, the proposal can result in a higher reimbursement to the Member States concerned. The additional payment appropriations for this proposal will imply an increase of payment appropriations (for 2012 approximately EUR 20 million) which will be compensated by the end of the programming period. Therefore, the total payment appropriations for the whole programming period remain unchanged.

The Commission will, in 2012, review the need for additional payment credits and if necessary propose the necessary actions to the Budgetary Authority.

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

The Committee on Fisheries adopted the report by João FERREIRA (GUE/NGL, PT) 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.

The committee recommends that Parliaments position on first reading following the ordinary legislative procedure should amend the Commission proposal as follows:

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 application of the mechanism should start on 1 January 2010 and its duration should be limited until 31 December 2013.

In a recital the committee specifies 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.

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

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.

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

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 States 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 States 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.

