**ORDINARY LEGISLATIVE procedure – First reading**

**Follow up to the European Parliament legislative resolution on the proposal for a regulation of the European Parliament and of the Council establishing the Digital Europe programme for the period 2021-2027**

**1. Rapporteur:** Angelika MLINAR (ALDE / AT)

**2. Reference numbers:** 2018/0227 (COD) / A8-0408/2018 / P8\_TA-PROV(2019)0403

**3. Date of adoption of the resolution:** 17 April 2019

**4. Legal basis:** Articles 172 and 173(3) of the Treaty on the Functioning of the European Union

**5. Competent Parliamentary Committee:** Committee on Industry, Research and Energy (ITRE)

**6. Commission's position:** The Commission accepts the amendments agreed in the inter-institutional negotiations (common understanding), but reserves its position with regard to the other amendments, in particular horizontal aspects relating to the overall Multi-annual Financial Framework negotiations, including budgetary aspects and related horizontal provisions of the future programme (such as the adoption of the work programme, the Committee procedure).

The Commission has entered the following statement in response to the text of the common understanding (the following statement was circulated at Coreper of 13 March 2019 and to European Parliament on 16 April 2019):

“The Commission cannot agree to the changes regarding the provision on transfers of resources allocated to Member States under shared management as agreed by the European Parliament and the Council in the common understanding on the Digital Europe programme.

The changes introduced to Article 9(5) raise questions of compatibility with other legislative proposals currently discussed by the European Parliament and the Council, in particular the Common Provisions Regulation (COM(2018)375). The top-up of a previously awarded grant would call into question the principles applicable to grants from the EU budget, in particular the principles of transparency and equal treatment that underpin the award of grants from the EU budget. As specific conditions attached by Member States to the transfers can imply State aid, Member States would be responsible for ensuring compliance with State aid rules.

The Commission calls on the co-legislators to ensure a horizontal approach on this issue in the negotiations on the next Multiannual Financial Framework.”