



**European Committee
of the Regions**

COTER-VI/045

132nd plenary session, 5-6 December 2018

OPINION

Common Provisions Regulation

THE EUROPEAN COMMITTEE OF THE REGIONS

- endorses the key objectives that the Commission pursues with the new Common Provisions Regulation (CPR), in particular to modernise cohesion policy by making it simpler, more flexible and more effective, and to substantially reduce unnecessary administrative burdens for beneficiaries and managing authorities;
- underlines the importance of the principles of partnership and multi-level governance and calls for the inclusion of the existing Code of Conduct as an Annex to the draft Regulation; calls for the full implementation of the Code of Conduct to ensure that the involvement of local and regional authorities amounts to full partnership;
- considers that taking the EAFRD out of the CPR risks undermining the integrated approach of the Structural and Investment Funds in rural areas and calls therefore for the EAFRD to be reintroduced into the CPR;
- points out that reintroducing the "n+2" rule would cause the overlap of the closure of the current programming period with the first n+2 target of the new one, which imposes a heavy administrative burden on the implementation of programmes. In this respect, calls for maintaining the current "n+3" rule;
- asks to maintain the current level of co-financing rates at 85% for the less developed regions, the outermost regions, as well as for the Cohesion Fund and the ETC goal, at 70% for the transition regions, and at 50% for the more developed regions;
- considers that the safety net provided by the Commission at national level does not prevent disproportionate cuts in individual assisted areas, which would not be justified by cohesion policy. Suggests therefore a similar safety net at regional level;
- reiterates the firm opposition of the CoR to the negative idea of macro-economic conditionality.

Co-rapporteurs

Catuscia Marini (IT/PES) President of the Umbria Region and Michael Schneider (DE/EPP) State Secretary, Representative of the Land of Saxony-Anhalt to the Federal Government

Reference document

Proposal for a Regulation of the European Parliament and of the Council laying down common provisions on the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, and the European Maritime and Fisheries Fund and financial rules for those and for the Asylum and Migration Fund, the Internal Security Fund and the Border Management and Visa Instrument

COM(2018) 375 - final

Opinion of the European Committee of the Regions– Common Provisions Regulation

I. RECOMMENDATIONS FOR AMENDMENTS

Amendment 1

New recital after recital 3

<i>Text proposed by the European Commission</i>	<i>CoR amendment</i>
	<i>As regards the Common Agricultural Policy (CAP), strong synergies and links should be maintained between the European Agricultural Guarantee Fund (EAGF) and the second pillar (EAFRD) of the CAP. The EAFRD must not be withdrawn from this General Provisions Regulation to preserve the strong link between the EAFRD and the structures already in place in the Member States for the implementation of the structural funds.</i>

Reason

It will be important to maintain strong synergies between the EAGF and the EAFRD to allow the inclusion of the EAFRD under the CPR. That is why the EAFRD should stay part of the Common Provision Regulations, and this would require the respective changes in the following parts of the text, particularly in recitals 2 and 23 and in Articles 17, 31, 48 and 58.

Amendment 2

New recital after recital 4

<i>Text proposed by the European Commission</i>	<i>CoR amendment</i>
	<i>Particular attention shall be paid to rural areas, areas affected by industrial transition, and regions which suffer from severe and permanent natural or demographic handicaps.</i>

Reason

A specific reference to regions with natural and demographic handicaps is needed to address the objectives of Art. 174 TFEU.

Amendment 3

Recital 5

<i>Text proposed by the European Commission</i>	<i>CoR amendment</i>
Horizontal principles as set out in Article 3 of the Treaty on the European Union ('TEU') and in Article 10 of the TFEU, including principles of	Horizontal principles as set out in Article 3 of the Treaty on the European Union ('TEU') and in Article 10 of the TFEU, including principles of

<p>subsidiarity and proportionality as set out in Article 5 of the TEU should be respected in the implementation of the Funds, taking into account the Charter of Fundamental Rights of the European Union. Member States should also respect the obligations of the UN Convention on the Rights of Persons with Disabilities and ensure accessibility in line with its article 9 and in accordance with the Union law harmonising accessibility requirements for products and services. Member States and the Commission should aim at eliminating inequalities and at promoting equality between men and women <i>and integrating the gender perspective</i>, as well as at combating discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation. The Funds should not support actions that contribute to any form of segregation. The objectives of the Funds should be pursued in the framework of sustainable development and the Union's promotion of the aim of preserving, protecting and improving the quality of the environment as set out in Article 11 and Article 191(1) of the TFEU, taking into account the polluter pays principle. In order to protect the integrity of the internal market, operations benefitting undertakings shall comply with Union State aid rules as set out in Articles 107 and 108 of the TFEU.</p>	<p>subsidiarity and proportionality as set out in Article 5 of the TEU should be respected in the implementation of the Funds, taking into account the Charter of Fundamental Rights of the European Union. Member States should also respect the obligations of the UN Convention on the Rights of Persons with Disabilities and ensure accessibility in line with its article 9 and in accordance with the Union law harmonising accessibility requirements for products and services. Member States and the Commission should aim at eliminating inequalities and at promoting equality between men and women, as well as at combating discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation. <i>Gender responsive budgeting should be incorporated into all stages of the implementation of the relevant funds, from programming to reporting, also through gender relevant indicators and sex-disaggregated data collection.</i> The Funds should not support actions that contribute to any form of segregation. The objectives of the Funds should be pursued in the framework of sustainable development and the Union's promotion of the aim of preserving, protecting and improving the quality of the environment as set out in Article 11 and Article 191(1) of the TFEU, taking into account the polluter pays principle. In order to protect the integrity of the internal market, operations benefitting undertakings shall comply with Union State aid rules as set out in Articles 107 and 108 of the TFEU.</p>
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<i>Reason</i>
It is important to assure that the funds take into account also the gender perspective ensuring equality in all areas touched by the funds and contributing to an inclusive society.

Amendment 4

Recital 10

<i>Text proposed by the European Commission</i>	<i>CoR amendment</i>
Part of the budget of the Union allocated to the Funds should be implemented by the Commission under shared management with Member States	Part of the budget of the Union allocated to the Funds should be implemented by the Commission under shared management with Member States

<p>within the meaning of Regulation (EU, Euratom) [number of the new Financial Regulation] of the European Parliament and of the Council (the 'Financial Regulation'). Therefore, when implementing the Funds under shared management, the Commission and the Member States should respect the principles referred to in the Financial Regulation, such as sound financial management, transparency and non-discrimination.</p>	<p>within the meaning of Regulation (EU, Euratom) [number of the new Financial Regulation] of the European Parliament and of the Council (the 'Financial Regulation'). Therefore, when implementing the Funds under shared management, the Commission and the Member States should respect the principles referred to in the Financial Regulation, such as sound financial management, transparency and non-discrimination. <i>Member States at the appropriate territorial level, in accordance with their institutional, legal and financial framework and the bodies designated by them for that purpose, should be responsible for preparing and implementing programmes.</i></p>
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<i>Reason</i>
The CPR should clearly express the need, while fully respecting the subsidiarity principle, to engage the appropriate territorial level to ensure the place-based approach.

Amendment 5

Recital 11

<i>Text proposed by the European Commission</i>	<i>CoR amendment</i>
<p>The principle of partnership is a key feature in the implementation of the Funds, building on the multi-level governance approach and ensuring the involvement of civil society and social partners. In order to provide continuity in the organisation of partnership, Commission Delegated Regulation (EU) No 240/2014 13 should continue to apply.</p>	<p>The principle of partnership is a key feature in the implementation of the Funds, building on the multi-level governance approach and ensuring the involvement of <i>local and regional authorities</i>, civil society and social partners. <i>It is a tool for stakeholder involvement and ownership and brings Europe closer to Europeans.</i> In order to provide continuity in the organisation of partnership, Commission Delegated Regulation (EU) No 240/2014 13 should continue to apply.</p>

<i>Reason</i>
Local and regional authorities must be mentioned explicitly in all the recitals and articles of the regulation laying down common provisions for the partnership principle and multilevel governance.

Amendment 6

Recital 12

<i>Text proposed by the European Commission</i>	<i>CoR amendment</i>
<p>At Union level, <i>the</i> European Semester <i>of economic policy coordination</i> is the framework</p>	<p>At Union level, <i>a reformed</i> European Semester <i>integrating multi-level governance and aligned</i></p>

<p>to identify national reform priorities and monitor their implementation. Member States develop their own national multiannual investment strategies in support of these reform priorities. These strategies should be presented alongside the <i>yearly</i> National Reform Programmes as a way to outline and coordinate priority investment projects to be supported by national and Union funding. They should also serve to use Union funding in a coherent manner and to maximise the added value of the financial support to be received notably from the Funds, the European Investment Stabilisation Function and InvestEU.</p>	<p><i>with a new long-term EU strategy implementing the Sustainable Development Goals</i> is the framework to identify national reform priorities and monitor their implementation. Member States develop their own national multiannual investment strategies in support of these reform priorities. These strategies should be <i>developed in cooperation between national, regional and local authorities and</i> presented <i>at the beginning and in view of the mid-term review of the programming period</i> alongside the National Reform Programmes as a way to outline and coordinate priority investment projects to be supported by national and Union funding. They should also serve to use Union funding in a coherent manner and to maximise the added value of the financial support to be received notably from the Funds, the European Investment Stabilisation Function and InvestEU.</p>
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Reason
<p>A reformed European Semester cycle at the beginning and in view of the mid-term review could be used to better align the semester cycle with the multiannual investment priorities of Cohesion Policy.</p>

Amendment 7

Recital 13

<i>Text proposed by the European Commission</i>	<i>CoR amendment</i>
<p>Member States should determine how relevant country-specific recommendations adopted in accordance with Article 121(2) of the TFEU <i>and</i> relevant Council recommendations adopted in accordance with Article 148(4) of the TFEU ('CSR's) are taken into account in the preparation of programming documents. During the 2021–2027 programming period ('programming period'), Member States should regularly present to the monitoring committee and to the Commission the progress in implementing the programmes in support of the CSRs. During a mid-term review, Member States should, among other elements, consider the need for programme modifications to accommodate relevant CSRs adopted or modified since the start of the programming period.</p>	<p>Member States should determine how relevant country-specific recommendations adopted in accordance with Article 121(2) of the TFEU, <i>which are relevant to the Funds' scope and missions</i>, relevant Council recommendations adopted in accordance with Article 148(4) of the TFEU ('CSR's) <i>and a full territorial assessment factoring in the regional dimension and the role of regional authorities in the implementation of the CSRs</i>, are taken into account in the preparation of programming documents. During the 2021–2027 programming period ('programming period'), Member States should regularly present to the monitoring committee and to the Commission the progress in implementing the programmes in support of the CSRs <i>which are relevant to the Funds' scope and missions</i>.</p>

	During a mid-term review, Member States should, among other elements, consider the need for programme modifications to accommodate relevant CSRs adopted or modified since the start of the programming period, <i>in close cooperation with local and regional authorities.</i>
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<i>Reason</i>
To boost the territorial dimension of the European Semester, which should include a full territorial assessment, factoring in the regional dimension and the role of regional authorities in the implementation of the country-specific recommendations.

Amendment 8

New recital after recital 19

<i>Text proposed by the European Commission</i>	<i>CoR amendment</i>
	<i>The combination of a shrinking share of the working population and an increasing proportion of retired people in the general population, as well as the problems associated with population changes, are expected to continue to place strains, inter alia, on education and social support structures and on economic competitiveness. Adapting to such demographic changes constitutes one of the core challenges that local and regional authorities are to face in the years to come, and as such should be given a particularly high level of consideration for the regions most affected by demographic change.</i>

<i>Reason</i>
The particular situation of areas with demographic change should be taken into account.

Amendment 9

Recital 40

<i>Text proposed by the European Commission</i>	<i>CoR amendment</i>
In order to optimise the added value from investments funded wholly or in part through the budget of the Union, synergies should be sought in particular between the Funds and directly managed instruments, <i>including the Reform Delivery Tool.</i> Those synergies should be achieved through key mechanisms, namely the	In order to optimise the added value from investments funded wholly or in part through the budget of the Union, synergies should be sought in particular between the Funds and directly managed instruments <i>by developing easy to use mechanisms, the promotion of multi-level governance solutions and strong policy</i>

recognition of flat rates for eligible costs from Horizon Europe for a similar operation and the possibility of combining funding from different Union instruments in the same operation as long as double financing is avoided. This Regulation should therefore set out rules for complementary financing from the Funds.	<i>coordination which will comply with the principle of subsidiarity.</i> Those synergies should be achieved through key mechanisms, namely the recognition of flat rates for eligible costs from Horizon Europe for a similar operation and the possibility of combining funding from different Union instruments in the same operation as long as double financing is avoided. This Regulation should therefore set out rules for complementary financing from the Funds.
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<i>Reason</i>
The CoR has substantial doubts about the usefulness and justification of the Reform Delivery Tool. Synergies with other EU programmes must be easy to use and be based on promoting MLG solutions and strong policy coordination.

Amendment 10

Recital 46

<i>Text proposed by the European Commission</i>	<i>CoR amendment</i>
In order to hasten the start of programme implementation, the roll-over of implementation arrangements from the previous programming period should be facilitated. The use of the computerised system already established for the previous programming period, adapted as required, should be maintained, unless a new technology is necessary.	In order to hasten the start of programme implementation, the roll-over of implementation arrangements <i>and further parts of the administrative and control system</i> from the previous programming period should be facilitated. The use of the computerised system already established for the previous programming period, adapted as required, should be maintained, unless a new technology is necessary.

<i>Reason</i>
The roll-over of implementation arrangements from the previous programming period should be extended to further areas of the administrative and control system.

Amendment 11

Recital 49

<i>Text proposed by the European Commission</i>	<i>CoR amendment</i>
In order to optimise synergies between the Funds and directly managed instruments, <i>the provision of support for operations that have already received a Seal of Excellence certification</i> should be facilitated.	In order to optimise synergies between the Funds and directly managed instruments, <i>dedicated action is needed to better combine the place-based approach of the ERDF, the EAFRD and the ESF+. Particularly the Seal of Excellence certification and the funding of relevant projects by ESIF</i> should be facilitated <i>in line with the</i>

	<i>priorities identified by the managing authorities and further developed to support innovation ecosystems and to allow a better link between R&D funding and smart specialisation strategies at national and regional level.</i>
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Reason
The better alignment of EU instruments should not only be a one-way street. The Seal of Excellence to promote synergies with Horizon funding should also include a better link to innovation ecosystems in the implementation of the Horizon programme.

Amendment 12

Recital 61

<i>Text proposed by the European Commission</i>	<i>CoR amendment</i>
Objective criteria should be established for designating eligible regions and areas for support from the Funds. To this end, the identification of the regions and areas at Union level should be based on the common system of classification of the regions established by Regulation (EC) No 1059/2003 of the European Parliament and the Council [1], as amended by Commission Regulation (EU) No 868/2014 [2] .	Objective criteria should be established for designating eligible regions and areas for support from the Funds. To this end, the identification of the regions and areas at Union level should be based on the common system of classification of the regions established by Regulation (EC) No 1059/2003 of the European Parliament and the Council [1], as amended by <i>the latest available list of NUTS II regions for which the necessary data can be provided by EUROSTAT.</i>
<hr/> <p>[1] Regulation (EC) No 1059/2003 of the European Parliament and of the Council of 26 May 2003 on the establishment of a common classification of territorial units for statistics (NUTS) (OJ L 154, 21.6.2003, p. 1).</p> <p>[2] Commission Regulation (EU) No 868/2014 of 8 August 2014 amending the annexes to Regulation (EC) No 1059/2003 of the European Parliament and of the Council on the establishment of a common classification of territorial units for statistics (NUTS) (OJ L 241, 13.8.2014, p. 1).</p>	<hr/> <p>[1] Regulation (EC) No 1059/2003 of the European Parliament and of the Council of 26 May 2003 on the establishment of a common classification of territorial units for statistics (NUTS) (OJ L 154, 21.6.2003, p. 1).</p>

Reason
It is necessary to refer to the latest update of the NUTS list for which EUROSTAT can provide the necessary data at NUTS 2 level for three consecutive years.

Amendment 13

Recital 64

<i>Text proposed by the European Commission</i>	<i>CoR amendment</i>
A certain amount of the resources from ERDF, the ESF+ and the Cohesion Fund should be allocated to the European Urban Initiative which should be implemented through direct or indirect management by the Commission.	A certain amount of the resources from ERDF, the ESF+ and the Cohesion Fund should be allocated to the European Urban Initiative <i>to contribute to the further development of the Urban Agenda for the EU</i> , which should be implemented through direct or indirect management by the Commission <i>or through shared management</i> .

Reason

The new European Urban Initiative should also play a key role in further developing the Urban Agenda for the EU. Allowing for the shared management approach increases flexibility.

Amendment 14

Article 2(8)

<i>Text proposed by the European Commission</i>	<i>CoR amendment</i>
'beneficiary' means: (...) (c) in the context of State aid schemes, the <i>undertaking</i> which receives the aid;	'beneficiary' means: (...) (c) in the context of State aid schemes, the <i>body</i> which receives the aid, <i>except the cases where the Member State may decide that the beneficiary is the body granting the aid</i> ;

Reason

Definition of beneficiary in the context of State aid schemes should base on definition currently in force due to Omnibus. This will cover re-granting model in OPs.

Amendment 15

Article 4(1)

<i>Text proposed by the European Commission</i>	<i>CoR amendment</i>
The ERDF, the ESF+, the Cohesion Fund and the EMFF shall support the following policy objectives: (a) a smarter Europe by promoting innovative and smart economic transformation; (b) a greener, low-carbon Europe by promoting clean and fair energy transition, green and blue investment, the circular economy, climate adaptation and risk prevention and management; (c) a more connected Europe by enhancing	The ERDF, the ESF+, the Cohesion Fund and the EMFF shall support the following policy objectives: (a) <i>Policy Objective 1 (PO 1)</i> a smarter Europe by promoting innovative and smart economic transformation, <i>for example by supporting SMEs and tourism</i> ; (b) <i>Policy Objective 2 (PO 2)</i> a greener, low-carbon Europe by promoting clean and fair energy transition <i>and sustainable urban mobility</i> ,

<p>mobility and regional ICT connectivity;</p> <p>(d) a more social Europe implementing the European Pillar of Social Rights;</p> <p>(e) a Europe closer to citizens by fostering the sustainable and integrated development of urban, rural and coastal areas and local initiatives.</p>	<p>green and blue investment, the circular economy, climate adaptation and risk prevention and management;</p> <p>(c) Policy Objective 3 (PO 3) a more connected Europe by enhancing mobility and regional ICT connectivity;</p> <p>(d) Policy Objective 4 (PO 4) a more social Europe implementing the European Pillar of Social Rights;</p> <p>(e) Horizontal Policy Objective 5 (PO 5) a Europe closer to citizens by fostering the sustainable and integrated development of urban, rural and coastal areas and local initiatives.</p>
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Reason
A specific reference to SMEs and tourism is missing from the CPR. Furthermore PO 5 should be cross cutting and thus used to deliver PO 1-4.

Amendment 16

Article 4(3)

Text proposed by the European Commission	CoR amendment
<p>Member States shall provide information on the support for environment and climate objectives using a methodology based on types of intervention for each of the Funds. That methodology shall consist of assigning a specific weighting to the support provided at a level which reflects the extent to which such support makes a contribution to environmental objectives and to climate objectives. In the case of the ERDF, the ESF+ and the Cohesion Fund weightings shall be attached to dimensions and codes for the types of intervention established in Annex I.</p>	<p>Member States shall provide information on the support for environment and climate objectives using a methodology based on types of intervention for each of the Funds. That methodology shall be based on the already existing EU environmental legislation and shall consist of assigning a specific weighting to the support provided at a level which reflects the extent to which such support makes a contribution to environmental objectives and to climate objectives. In the case of the ERDF, the EAFRD, the ESF+ and the Cohesion Fund weightings shall be attached to dimensions and codes for the types of intervention established in Annex I.</p>

Reason
The requirement to develop a methodology for taking into account environmental considerations in the preparation and implementation of Partnership Agreements and programme shall be based on existing EU environmental legislation.

Amendment 17
Article 4(4)

<i>Text proposed by the European Commission</i>	<i>CoR amendment</i>
<p>Member States and the Commission shall ensure the coordination, complementarity and coherence between the Funds and other Union instruments such as the Reform Support Programme, including <i>the Reform Delivery Tool</i> and the Technical Support Instrument. They shall optimise mechanisms for coordination between those responsible to avoid duplication during planning and implementation.</p>	<p><i>In accordance with their institutional, legal and financial framework</i>, Member States <i>as well as local and regional authorities</i> and the Commission, <i>on the basis of the principles of partnership in Art. 6, subsidiarity and multi-level governance</i>, shall ensure the coordination, complementarity and coherence between the Funds, <i>including the EAFRD</i>, and other Union instruments such as the Reform Support Programme, including the Technical Support Instrument. They shall optimise mechanisms for coordination between those responsible to avoid duplication during planning and implementation.</p>

<i>Reason</i>
<p>Given the absence of a Common Strategic Framework in the new CPR it is essential to ensure full participation of LRAs in the coordination of the funds.</p>

Amendment 18
Article 6

<i>Text proposed by the European Commission</i>	<i>CoR amendment</i>
<p>Each Member State shall organise a partnership with the competent regional and local authorities. That partnership shall include at least the following partners:</p> <ul style="list-style-type: none"> (a) urban and other public authorities; (b) economic and social partners; (c) relevant bodies representing civil society, environmental partners, and bodies responsible for promoting social inclusion, fundamental rights, rights of persons with disabilities, gender equality and non-discrimination. <p>(...)</p> <p>4. At least once a year, the Commission shall consult the organisations which represent the partners at Union level on the implementation of programmes.</p> <p>(...)</p>	<p>Each Member State shall, <i>in accordance with its institutional and legal framework</i>, organise a partnership with the competent regional and local authorities. That partnership shall include at least the following partners:</p> <ul style="list-style-type: none"> (a) urban and other public authorities; (b) economic and social partners; (c) relevant bodies representing civil society, environmental partners, and bodies responsible for promoting social inclusion, fundamental rights, rights of persons with disabilities, gender equality and non-discrimination. <p>(...)</p> <p>4. At least once a year, the Commission shall consult the organisations which represent the partners at Union level on the implementation of programmes. <i>The partners and stakeholders' recommendations shall be publicly available.</i></p> <p>(...)</p>

<i>Reason</i>
Regional parliaments and assemblies should also be included in line with established systems of multi-level governance.

Amendment 19

Article 6(3)

<i>Text proposed by the European Commission</i>	<i>CoR amendment</i>
<p>The organisation and implementation of partnership shall be carried out in accordance with Commission Delegated Regulation (EU) No 240/2014 [1].</p> <hr/> <p>[1] Commission Delegated Regulation (EU) No 240/2014 of 7 January 2014 on the European code of conduct on partnership in the framework of the European Structural and Investment Funds (OJ L 74, 14.3.2014, p. 1).</p>	<p>The organisation and implementation of partnership shall be carried out in accordance with <i>the Code of Conduct on Partnership and Multi-level Governance in the</i> Commission Delegated Regulation (EU) No 240/2014 [1]], <i>recognising local and regional authorities as full partners.</i></p> <hr/> <p>[1] Commission Delegated Regulation (EU) No 240/2014 of 7 January 2014 on the European code of conduct on partnership in the framework of the European Structural and Investment Funds (OJ L 74, 14.3.2014, p. 1).</p>

<i>Reason</i>
The Code of Conduct on Partnership is currently a delegated act to the existing CPR. To increase the visibility of the Code of Conduct, it should be added to the CPR as an annex. The legal act should be updated – regardless of the legal form! This would require the respective changes in the following parts of the text of the Common Provisions Regulation, particularly in recital 11 and in Articles 11 and 21.

Amendment 20

Article 8

<i>Text proposed by the European Commission</i>	<i>CoR amendment</i>
<p>The Partnership Agreement shall contain the following elements:</p> <p>(...)</p> <p>(iii) complementarities between the Funds and other Union instruments, <i>including</i> LIFE strategic integrated projects and strategic nature projects;</p> <p>(...)</p>	<p>The Partnership Agreement shall contain the following elements:</p> <p>(...)</p> <p>(iii) complementarities <i>and synergies</i> between the Funds and other Union instruments, <i>particularly with the European Partnerships of the Horizon programme and the</i> LIFE strategic integrated projects and strategic nature projects;</p> <p>(...)</p> <p><i>h) where appropriate, an integrated approach to</i></p>

	<p><i>address the demographic challenges of regions or specific needs of geographical areas which suffer from severe and permanent natural or demographic handicaps as referred to in Article 174 TFEU.</i></p> <p>(...)</p>
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<i>Reason</i>
<p>A close link with the European Partnership of the Horizon programme is essential to ensure better complementarities and synergies with the Cohesion Policy Funds. A specific reference to geographical areas which suffer severe and permanent natural or demographic handicaps is needed to comply with the Art. 174 requirements.</p>

Amendment 21

Article 9(1)

<i>Text proposed by the European Commission</i>	<i>CoR amendment</i>
<p>The Commission shall assess the Partnership Agreement and its compliance with this Regulation and with the Fund-specific rules. In its assessment, the Commission shall, in particular, take into account relevant country-specific recommendations.</p>	<p>The Commission shall assess the Partnership Agreement and its compliance with this Regulation and with the Fund-specific rules. In its assessment, the Commission shall, in particular, take into account relevant country-specific recommendations <i>when they had been explicitly included in the National Reform Programmes following negotiation with local and regional authorities under Article 6 of this Regulation.</i></p>

<i>Reason</i>
<p>Country specific recommendations are admissible when they have been developed on the basis of the partnership principle.</p>

Amendment 22

Article 10(1)

<i>Text proposed by the European Commission</i>	<i>CoR amendment</i>
<p>Member States may allocate, in the Partnership Agreement or in the request for an amendment of a programme, the amount of ERDF, the ESF+, the Cohesion Fund and the EMFF to be contributed to InvestEU and delivered through budgetary guarantees. The amount to be contributed to InvestEU shall not exceed 5% of the total allocation of each Fund, except in duly justified cases. Such contributions shall not constitute transfers of resources under Article 21.</p>	<p><i>In duly justified cases and in accordance with their institutional, legal and financial framework,</i> Member States may allocate, in the Partnership Agreement or in the request for an amendment of a programme, the amount of ERDF, the ESF+, the Cohesion Fund and the EMFF to be contributed to InvestEU and delivered through budgetary guarantees. The amount to be contributed to InvestEU shall not exceed 5% of the total allocation of each Fund,</p>

	except in duly justified cases, <i>without weakening the place-based approach of the funds</i> . Such contributions shall not constitute transfers of resources under Article 21.
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Reason
The voluntary transfer of resources to InvestEU should not weaken the place-based approach of the Cohesion Policy funds and established systems of multi-level governance.

Amendment 23

Article 11(1)

<i>Text proposed by the European Commission</i>	<i>CoR amendment</i>
<p>For each specific objective, prerequisite conditions for its effective and efficient implementation ('enabling conditions') are laid down in this Regulation.</p> <p>Annex III lays down horizontal enabling conditions applicable to all specific objectives and the criteria necessary for the assessment of their fulfilment.</p> <p>Annex IV lays down thematic enabling conditions for the ERDF, the Cohesion Fund and the ESF+ and the criteria necessary for the assessment of their fulfilment.</p>	<p>For each specific objective, prerequisite conditions for its effective and efficient implementation ('enabling conditions') are laid down in this Regulation.</p> <p><i>Enabling conditions shall apply only to the extent and provided that they contribute to the specific objectives pursued within the priorities of the programme and that they can be influenced by those in charge of the programmes.</i></p> <p><i>Taking account of the above,</i> Annex III lays down horizontal enabling conditions applicable to all specific objectives and the criteria necessary for the assessment of their fulfilment.</p> <p>Annex IV lays down thematic enabling conditions for the ERDF, the Cohesion Fund, <i>the EAFRD</i> and the ESF+ and the criteria necessary for the assessment of their fulfilment.</p>

Reason
Even though the rules for complying with ex ante conditionalities have been simplified, it is important to also highlight that the enabling conditions should be closely connected with the Treaty objectives of the Cohesion Policy Funds.

Amendment 24

Article 11 (5)

<i>Text proposed by the European Commission</i>	<i>CoR amendment</i>
Expenditure related to operations linked to the	Expenditure related to operations linked to the

specific objective cannot be included in payment applications until the Commission has informed the Member State of the fulfilment of the enabling condition pursuant to paragraph 4. (...)	specific objective can also be included in payment applications before the Commission has informed the Member State of the fulfilment of the enabling condition pursuant to paragraph 4, without prejudice to the suspension of the reimbursement until the condition is fulfilled. (...)
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Reason
Even though the rules for complying with ex ante conditionalities have been simplified, it is important to avoid delays in implementing programmes.

Amendment 25
Article 12(1)

Text proposed by the European Commission	CoR amendment
The Member State shall establish a performance framework which shall allow monitoring, reporting on and evaluating programme performance during its implementation, and contribute to measuring the overall performance of the Funds. (...)	The Member State, in close cooperation with the relevant managing authority and by fully respecting the Code of Conduct on Partnership and Multi-level Governance , shall establish a performance framework which shall allow monitoring, reporting on and evaluating programme performance during its implementation, and contribute to measuring the overall performance of the Funds. (...)

Reason
It is managing authority, which is responsible for preparing of the programme, to establish the programme's performance framework.

Amendment 26
Article 14

Text proposed by the European Commission	CoR amendment
1. For programmes supported by the ERDF, the ESF+ and the Cohesion Fund, the Member State shall review each programme, taking into account the following elements: (a) the challenges identified in relevant country-specific recommendations adopted in	1. For programmes supported by the ERDF, the ESF+, the EAFRD and the Cohesion Fund, the Member State shall carry out a mid-term review. The Member State and the territorial level in charge of the programme shall review each programme, taking into account the following elements: (a) the challenges identified in relevant country-specific recommendations adopted in

<p>2024;</p> <p>(b) the socio-economic situation of the Member State or region concerned;</p> <p>(c) the progress in achieving the milestones;</p> <p>(d) the outcome of the technical adjustment as set out in Article 104(2), where applicable.</p> <p>2. The Member State shall submit to the Commission by 31 March 2025 a request for the amendment of each programme in accordance with Article 19(1). The Member State shall justify the amendment on the basis of the elements set out in paragraph 1.</p> <p>The revised programme shall include:</p> <p>(a) the allocations of the financial resources by priority including the amounts for the years 2026 and 2027;</p> <p>(b) revised or new targets;</p> <p>(c) the revised allocations of the financial resources resulting from the technical adjustment set out in Article 104(2) including the amounts for the years 2025, 2026 and 2027, where applicable.</p> <p>3. Where as a result of the review a new programme is submitted, the financing plan under point (ii) of Article 17(3)(f) shall cover the total financial appropriation for each of the Funds as of the year of the programme approval.</p>	<p>2024;</p> <p>(b) the socio-economic situation and needs of the Member State and/or region concerned;</p> <p>(c) the progress in achieving the milestones;</p> <p>(d) the outcome of the technical adjustment as set out in Article 104(2), where applicable.</p> <p>2. The Member State shall submit to the Commission by 30 June 2025, where appropriate, a request for the amendment of each programme in accordance with Article 19(1). The Member State shall justify the amendment on the basis of the elements set out in paragraph 1.</p> <p>The revised programme shall include:</p> <p>(a) the revision of the allocations of the financial resources by priority, including the indicative amounts for the years 2026 and 2027;</p> <p>(b) revised or new targets;</p> <p>(c) the revised allocations of the financial resources resulting from the technical adjustment set out in Article 104(2) including the amounts for the years 2025, 2026 and 2027, where applicable.</p> <p>3. Where as a result of the review a new programme is submitted, the financing plan under point (ii) of Article 17(3)(f) shall cover the total financial appropriation for each of the Funds as of the year of the programme approval.</p>
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Reason	
<p>The mid-term review should be based on the commitments made for the funds per Member State for the whole period to ensure predictability of the funds. The deadline for submitting the amendments is too early to ensure that the results of 2024 can be sufficiently taken into account. Furthermore a request for amending the programme shall only be made where this seems necessary.</p>	

Amendment 27

Article 15(1)

Text proposed by the European Commission	CoR amendment
<p>The Commission may request a Member State to review and propose amendments to relevant programmes, where this is necessary to support</p>	<p>The Commission may request a Member State to review and propose amendments to relevant programmes, where this is necessary to support</p>

<p>the implementation of relevant Council Recommendations.</p> <p>Such a request may be made for the <i>following purposes</i>:</p> <p>(a) <i>to support</i> the implementation of a relevant country-specific recommendation adopted in accordance with Article 121(2) TFEU and of a relevant Council recommendation adopted in accordance with Article 148(4) TFEU, addressed to the Member State concerned;</p> <p>(b) <i>to support the implementation of relevant Council Recommendations addressed to the Member State concerned and adopted in accordance with Articles 7(2) or 8(2) of Regulation (EU) No 1176/2011[1] of the European Parliament and of the Council provided that these amendments are deemed necessary to help correct the macro-economic imbalances.</i></p> <hr/> <p><i>[1] Regulation (EU) No 1176/2011 of the European Parliament and of the Council of 16 November 2011 on the prevention and correction of macroeconomic imbalances (OJ L 306, 23.11.2011, p. 25).</i></p>	<p>the implementation of relevant Council Recommendations <i>that are suitable for achieving the objectives of promoting economic, social and territorial cohesion.</i></p> <p>Such a request may be made for the <i>purpose of supporting</i> the implementation of a relevant country-specific recommendation adopted in accordance with Article 121(2) TFEU and of a relevant Council recommendation adopted in accordance with Article 148(4) TFEU, addressed to the Member State concerned.</p>
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Reason
It must be ensured that amendments of programmes based on CSRs are suitable for achieving the Treaty objectives of economic, social and territorial cohesion. The CoR is against macro-economic conditionalities for Cohesion Policy.

Amendment 28

Article 15(2)

<i>Text proposed by the European Commission</i>	<i>CoR amendment</i>
A request by the Commission to a Member State in accordance with paragraph 1 shall be justified, with reference to the need to support the implementation of the relevant recommendations	A request by the Commission to a Member State in accordance with paragraph 1 shall be justified, with reference to the need to support the implementation of the relevant recommendations

and shall indicate the programmes or priorities which it considers are concerned and the nature of the amendments expected.	and shall indicate the programmes or priorities which it considers are concerned and the nature of the amendments expected. <i>Such a request shall not be made before 2022 or after 2026, nor in relation to the same programmes in two consecutive years.</i>
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Reason
The new CPR should also include a time limit for changes similar to the wording in the current CPR.

Amendment 29

Article 15(7)

<i>Text proposed by the European Commission</i>	<i>CoR amendment</i>
<p><i>The Commission shall make a proposal to the Council to suspend all or part of the commitments or payments for one or more of the programmes of a Member State in the following cases:</i></p> <p><i>a) where the Council decides in accordance with Article 126(8) or Article 126(11) TFEU that a Member State has not taken effective action to correct its excessive deficit;</i></p> <p><i>b) where the Council adopts two successive recommendations in the same imbalance procedure, in accordance with Article 8(3) of Regulation (EU) No 1176/2011 of the European Parliament and of the Council on the grounds that a Member State has submitted an insufficient corrective action plan;</i></p> <p><i>c) where the Council adopts two successive decisions in the same imbalance procedure in accordance with Article 10(4) of Regulation (EU) No 1176/2011 establishing non-compliance by a Member State on the grounds that it has not taken the recommended corrective action;</i></p> <p><i>d) where the Commission concludes that a Member State has not taken measures as referred to in Council Regulation (EC) No 332/2002 and as a consequence decides not to authorise the disbursement of the financial assistance granted to that Member State;</i></p> <p><i>e) where the Council decides that a Member</i></p>	

<p><i>State does not comply with the macro-economic adjustment programme referred to in Article 7 of Regulation (EU) No 472/2013 of the European Parliament and of the Council , or with the measures requested by a Council decision adopted in accordance with Article 136(1) TFEU.</i></p> <p><i>Priority shall be given to the suspension of commitments; payments shall be suspended only when immediate action is sought and in the case of significant non-compliance. The suspension of payments shall apply to payment applications submitted for the programmes concerned after the date of the decision to suspend.</i></p> <p><i>The Commission may, on grounds of exceptional economic circumstances or following a reasoned request by the Member State concerned addressed to the Commission within 10 days of adoption of the decision or recommendation referred to in the previous subparagraph, recommend that the Council cancel the suspension referred to in the same subparagraph.</i></p>	
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Reason
<p>The CoR is against macro-economic conditionalities for cohesion policy. The deletion of paragraph 7 would need to be reflected by the corresponding changes in the subsequent paragraphs of this Article (deletion of paragraphs 8 and 10, amendment of paragraphs 9 and 11).</p>

Amendment 30
Article 15(12)

Text proposed by the European Commission	CoR amendment
<p>The Commission shall keep the European Parliament informed of the implementation of this Article. <i>In particular, the Commission shall, when one of the conditions set out in paragraph 7 is fulfilled for a Member State, immediately inform the European Parliament and provide details of the Funds and programmes which could be subject to a suspension of commitments.</i></p>	<p>The Commission shall keep the European Parliament informed of the implementation of this Article.</p> <p>The European Parliament may invite the Commission for a structured dialogue on the application of this Article, having regard to the transmission of the information referred to in the first subparagraph. <i>The European Parliament may invite the European Committee of the</i></p>

<p>The European Parliament may invite the Commission for a structured dialogue on the application of this Article, having regard to the transmission of the information referred to in the first sub-paragraph.</p> <p>The Commission shall transmit the proposal for suspension of commitments or the proposal to lift such a suspension, to the European Parliament and to the Council.</p>	<p><i>Regions to provide its opinion on the matter.</i></p> <p>The Commission shall transmit the proposal for suspension of commitments or the proposal to lift such a suspension, to the European Parliament and to the Council <i>immediately after its adoption. The European Parliament may invite the Commission to explain the reasons for its proposal.</i></p>
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<i>Reason</i>	
<p>The structured dialogue between the Commission and the EP could also be used to assess the regional implications. In doing so, the EP could invite the CoR to take part in this debate. To avoid any unnecessary delays the Commission shall immediately transmit the decision.</p>	

Amendment 31

Article 16 (1)

<i>Text proposed by the European Commission</i>	<i>CoR amendment</i>
<p>Member States shall prepare programmes to implement the Funds for the period from 1 January 2021 to 31 December 2027.</p>	<p>Member States <i>or the relevant managing authorities, in cooperation with the partners referred to in Article 6,</i> shall prepare programmes to implement the Funds for the period from 1 January 2021 to 31 December 2027. <i>Programmes shall be drawn up in accordance with the Code of Conduct on Partnership and Multi-level Governance.</i></p>

<i>Reason</i>	
<p>Increased clarity of the point.</p>	

Amendment 32

Article 17

<i>Text proposed by the European Commission</i>	<i>CoR amendment</i>
<p>(...) 3. Each programme shall set out: (...) (d) for each specific objective: (i) the related types of actions, including <i>a</i> list of planned operations of strategic importance, and their expected contribution to those specific objectives and to macro-regional strategies and sea-basin strategies, where appropriate; (...)</p>	<p>(...) 3. Each programme shall set out: (...) (d) for each specific objective: (i) the related types of actions, including <i>an indicative</i> list of planned operations of strategic importance, and their expected contribution to those specific objectives and to macro-regional strategies and sea-basin strategies, where appropriate;</p>

<p>(iv) specific territories targeted, including the planned use of integrated territorial investment, community-led local development or other territorial tools;</p> <p>(...)</p> <p>(g) the actions taken to involve the relevant partners referred to in Article 6 in the preparation of the programme, and the role of those partners in the implementation, monitoring and evaluation of the programme;</p> <p>(...)</p> <p>7. The Member State shall communicate to the Commission any changes in the information referred to in paragraph (3)(j) without requiring a programme amendment.</p>	<p>(...)</p> <p>(iv) specific territories targeted on the basis of strategic documents prepared at national or regional level, including the planned use of integrated territorial investment, community-led local development or other territorial tools;</p> <p>(...)</p> <p>(g) the actions taken to involve the relevant partners referred to in Article 6 in the preparation of the programme, and the role of those partners in the implementation, monitoring and evaluation of the programme in line with the principles of multi-level governance and the Code of Conduct on Partnership;</p> <p>(...)</p> <p>7. The relevant managing authority shall communicate to the Commission any changes in the indicative list of planned operations of strategic importance, referred to in paragraph (3)(d)(i), and the information referred to under points (d)(iii), (d)(vii) and (d)(j) of paragraph (3) without requiring a programme amendment.</p>
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Reason
<p>In order to increase flexibility, lists should not be closed at the beginning of the programme. To bolster multi-level governance and avoid delays in implementation of the programmes, the managing authorities tasked with implementing the Funds – after obtaining the approval of the monitoring committee – should be able to notify changes some parts of the programme to the European Commission.</p>

Amendment 33
Article 17(6)

Text proposed by the European Commission	CoR amendment
<p>For ERDF, ESF+ and Cohesion Fund programmes submitted in accordance with Article 16, the table referred to in paragraph (3)(f)(ii) shall include the amounts for the years 2021 to 2025 only.</p>	<p>For ERDF, ESF+ and Cohesion Fund programmes submitted in accordance with Article 16, the table referred to in paragraph (3)(f)(ii) shall include the amounts for the years 2021 to 2027, whereby the amounts for the years 2026-2027 shall be only indicative, pending the results of the mid-term review referred to in Article 14.</p>

Reason
<p>To combine the possibility for a reallocation within the programmes after the mid-term review with the security of the allocation for the whole period it is suggested that it be explicitly stated that the allocation for the years 2026-2027 is indicative.</p>

Amendment 34

Article 18

<i>Text proposed by the European Commission</i>	<i>CoR amendment</i>
<p>1. The Commission shall assess the programme and its compliance with this Regulation and with the Fund-specific Regulations, as well as its consistency with the Partnership Agreement. In its assessment, the Commission shall, in particular, take into account relevant country-specific recommendations.</p> <p>2. The Commission may make observations within three months of the date of submission of the programme by the Member State.</p> <p>3. The Member State shall review the programme <i>taking into account</i> the observations made by the Commission.</p>	<p>1. The Commission shall assess the programme and its compliance with this Regulation and with the Fund-specific Regulations, as well as its consistency with the Partnership Agreement. In its assessment, the Commission shall, in particular, take into account relevant country-specific recommendations, <i>insofar as they relate to the objectives of the Funds.</i></p> <p>2. The Commission may make observations within three months of the date of submission of the programme by the Member State <i>on the basis of all pertinent information.</i></p> <p>3. The Member State shall review the programme <i>in accordance with the Code of Conduct on Partnership and Multi-level Governance, considering</i> the observations made by the Commission.</p>

Reason

Country specific recommendations are admissible when they have been the result of the partnership principle being applied to develop them.

Amendment 35

Article 19(1)

<i>Text proposed by the European Commission</i>	<i>CoR amendment</i>
<p>The Member State may submit a motivated request for an amendment of a programme together with the amended programme setting out the expected impact of that amendment on the achievement of the objectives.</p>	<p>The Member State may submit a motivated request for an amendment of a programme, <i>after consulting the local and regional authorities and in accordance with Article 6,</i> together with the amended programme setting out the expected impact of that amendment on the achievement of the objectives.</p>

Reason

Local and regional authorities should be involved in revising the programme.

Amendment 36

Article 19(2)

<i>Text proposed by the European Commission</i>	<i>CoR amendment</i>
<p>The Commission shall assess the amendment and</p>	<p>The Commission shall assess the amendment and</p>

its compliance with this Regulation and with the Fund-specific Regulations, including requirements at national level, and may make observations within <i>three months</i> of the submission of the amended programme.	its compliance with this Regulation and with the Fund-specific Regulations, including requirements at national level, and may make observations within <i>one month</i> of the submission of the amended programme. <i>The Member State shall provide the Commission all necessary additional information.</i>
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<i>Reason</i>
The process of amending the OPs also needs to be supplemented with the possibility of providing by the Member State any necessary information to the Commission.

Amendment 37

Article 19(3)

<i>Text proposed by the European Commission</i>	<i>CoR amendment</i>
The Member State shall review the amended programme <i>and take into account</i> the observations made by the Commission.	The Member State shall review the amended programme <i>considering</i> the observations made by the Commission.

<i>Reason</i>
Taking into account the observations made by the Commission shall be the subject to negotiations, as they are not binding.

Amendment 38

Article 19(4)

<i>Text proposed by the European Commission</i>	<i>CoR amendment</i>
The Commission shall approve the amendment of a programme no later than <i>six</i> months after its submission by the Member State.	The Commission shall approve the amendment of a programme no later than <i>three</i> months after its submission by the Member State.

<i>Reason</i>
The time for approval should be shortened to speed up the process.

Amendment 39

Article 19(5)

<i>Text proposed by the European Commission</i>	<i>CoR amendment</i>
The Member State may transfer during the programming period an amount of up to 5% of the initial allocation of a priority and no more than 3% of the programme budget to another priority of the same Fund of the same programme. <i>For the programmes supported by</i>	The Member State, <i>while fully respecting the Code of Conduct on Partnership and Multi-level Governance,</i> may transfer during the programming period an amount of up to <i>10%</i> of the initial allocation of a priority and no more than <i>5%</i> of the programme budget to another

<i>the ERDF and ESF+, the transfer shall only concern allocations for the same category of region.</i> (...)	priority of the same Fund of the same programme. (...)
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Reason
Increasing the limit up to 5% would support flexibility. For ERDF and ESF+ transfers shall concern the same category of region (as in initial EC proposal).

Amendment 40

Article 20

Text proposed by the European Commission	CoR amendment
1. The ERDF, the ESF+ and the Cohesion Fund may jointly provide support for programmes under the Investment for jobs and growth goal. 2. The ERDF and the ESF+ may finance, in a complementary manner and subject to a limit of 10% of support from those Funds for each priority of a programme, all or part of an operation for which the costs are eligible for support from the other Fund on the basis of eligibility rules applied to that Fund, provided that such costs are necessary for the implementation.	1. The ERDF, the ESF+, the Cohesion Fund and, for CLLD and ITI, the EAFRD may jointly provide support for programmes under the Investment for jobs and growth goal. 2. The ERDF, the ESF+ and, for CLLD and ITI, the EAFRD may finance, in a complementary manner and subject to a limit of 10% of support from those Funds for each priority of a programme, all or part of an operation for which the costs are eligible for support from the other Fund on the basis of eligibility rules applied to that Fund, provided that such costs are necessary for the implementation.

Reason
Even with the regrettable departure of the EAFRD from the ESIF framework, integrated territorial development including EAFRD should continue at least for ITI and CLLD.

Amendment 41

Article 21 (1)

Text proposed by the European Commission	CoR amendment
Member States may request the transfer of up to 5% of programme financial allocations from any of the Funds to any other Fund under shared management or to any instrument under direct or indirect management.	In accordance with their institutional, legal and financial framework, Member States – in agreement with the managing authority and fully respecting the Code of Conduct on Partnership and Multi-level Governance – may request the transfer of up to 5% of programme financial allocations from any of the Funds to any other Fund under direct, indirect or shared management for projects of relevance for

	<i>cohesion, with the exception of the Reform Support Programme.</i>
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Reason
Given the overall reduction of cohesion policy resources, Member States should not be encouraged to withdraw even more resources from cohesion policy projects towards programmes which may be simpler to manage but are without relevance for cohesion.

Amendment 42

Article 22

<i>Text proposed by the European Commission</i>	<i>CoR amendment</i>
The Member State shall support integrated territorial development through territorial and local development strategies in any of the following forms: (a) integrated territorial investments; (b) community-led local development; (c) another territorial tool supporting initiatives designed by the Member State for investments programmed for the ERDF under <i>the</i> policy <i>objective</i> referred in Article 4(1)(e).	The Member State shall support integrated territorial development – <i>which requires the use of all Funds (including the EAFRD)</i> – through territorial and local development strategies in any of the following forms: (a) integrated territorial investments; (b) community-led local development; (c) another territorial tool supporting initiatives designed by <i>managing authorities of programmes</i> for investments programmed under <i>all</i> policy <i>objectives</i> referred in Article 4(1).

Reason
Territorial tools are developed during current programming period by MAs, also on the regional level. These tools are based on strategic documents and well-adjusted to regional and local needs. Effective implementation of territorial tools requires the use of different funds (not only ERDF) to increase synergies and coordination.

Amendment 43

Article 23

<i>Text proposed by the European Commission</i>	<i>CoR amendment</i>
1. <i>Territorial</i> strategies implemented pursuant to points (a) or (c) of Article 22 shall contain the following elements: a) the geographical area covered by the strategy; b) an analysis of the development needs and the potential of the area; c) a description of an integrated approach to address the identified development needs and the potential; d) a description of the involvement of partners in accordance with Article 6 in the preparation and in the implementation of the strategy.	1. <i>The managing authority shall ensure that territorial</i> strategies implemented pursuant to points (a) or (c) of Article 22 shall contain the following elements: a) the geographical area covered by the strategy; b) an analysis of the development needs and the potential of the area; c) a description of an integrated approach to address the identified development needs and the potential; d) a description of the involvement of partners in accordance with Article 6 in the preparation and

<p>They may also contain a list of operations to be supported.</p> <p>2. Territorial strategies shall be drawn up under the responsibility of the relevant urban, local or other territorial authorities or bodies.</p> <p>3. Where the list of operations to be supported has not been included in the territorial strategy, the relevant urban, local or other territorial authorities or bodies shall select or shall be involved in the selection of operations.</p> <p>Selected operations shall comply with the territorial strategy.</p> <p>4. Where an urban, local or other territorial authority or body carries out tasks falling under the responsibility of the managing authority other than the selection of operations, the authority shall be identified by the managing authority as an intermediate body.</p> <p>5. Support may be provided for the preparation and design of territorial strategies.</p>	<p>in the implementation of the strategy.</p> <p>They may also contain a list of operations to be supported.</p> <p>2. Territorial strategies shall be drawn up under the responsibility of the relevant urban, local, regional or other territorial authorities or bodies.</p> <p>3. Where the list of operations to be supported has not been included in the territorial strategy, the relevant urban, local, regional or other territorial authorities or bodies shall select or shall be involved in the selection of operations.</p> <p>Selected operations shall comply with the territorial strategy.</p> <p>4. <i>When preparing territorial strategies, entities referred to in Article 23(2) cooperate with relevant managing authorities, as far as the scope of operations to be supported under the relevant programme is concerned.</i></p> <p>5. Where an urban, local, regional or other territorial authority or body carries out tasks falling under the responsibility of the managing authority other than the selection of operations, the authority shall be identified by the managing authority as an intermediate body.</p> <p>6. Support may be provided for the preparation and design of territorial strategies.</p>
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<i>Reason</i>
<p>It is necessary to indicate and strengthen the role of the MA, as the entity responsible for the implementation of the OP, in the process of developing territorial strategies, which are an instrument to achieve the objectives of the OP.</p> <p>There should also be a reference to regional authorities in the text, in line with CoR opinion COTER-VI/031, which sees the fact that "[t]he remit and powers of the bodies responsible for selecting operations are not sufficiently taken into account in the implementation process" as one of the main obstacles to implementing ITI.</p> <p>It is necessary to indicate and strengthen the role of the MA in the preparation of territorial strategies. In particular, this should include the obligation to draw up strategies to cooperate with the relevant MA, and granting MA the authority to reconcile these strategies to the scope of the OP</p>

Amendment 44

Article 25(1)

<i>Text proposed by the European Commission</i>	<i>CoR amendment</i>
<p>The ERDF, the ESF+ and the EMFF may support community-led local development.</p>	<p>The ERDF, the ESF+, <i>the EAFRD, which shall be designated as LEADER</i>, and the EMFF may support community-led local development.</p>

<i>Reason</i>
The EAFRD should also be included when supporting CLLD and LEADER actions.

Amendment 45

Article 27(2)

<i>Text proposed by the European Commission</i>	<i>CoR amendment</i>
The managing authorities shall ensure that the local action groups <i>either select one partner within the group as a lead partner in administrative and financial matters, or</i> come together in a legally constituted common structure.	The managing authorities shall ensure that the local action groups come together in a legally constituted common structure.

<i>Reason</i>
Experience has shown that it is difficult for the managing authority to select a lead partner if the local action group does not come forward with a joint legal entity. Taking into account that the local action groups bear a high level of responsibility and therefore are also liable for potential errors, they should be obliged to form themselves in a legally constituted structure.

Amendment 46

Article 31(2)

<i>Text proposed by the European Commission</i>	<i>CoR amendment</i>
<p>The percentage of the Funds reimbursed for technical assistance shall be the following:</p> <p>(a) for the ERDF support under the Investment for jobs and growth goal, and for the Cohesion Fund support: 2,5%;</p> <p>(b) for the ESF+ support: 4% and for programmes under Article 4(1)(c)(vii) of the ESF+ Regulation: 5%;</p> <p>(c) for the EMFF support: 6%;</p> <p>(d) for the AMIF, the ISF and the BMVI support: 6%.</p>	<p>The percentage of the Funds reimbursed for technical assistance shall be the following:</p> <p>(a) for the ERDF support under the Investment for jobs and growth goal, and for the Cohesion Fund support: 5%;</p> <p>(b) for the ESF+ support: 5%;</p> <p>(c) for the EAFRD support: 5%;</p> <p>(d) for the EMFF support: 6%;</p> <p>(e) for the AMIF, the ISF and the BMVI support: 6%.</p>

<i>Reason</i>
The flat rate (5%) for technical assistance should also cover EFS+.

Amendment 47

Article 33(1)

<i>Text proposed by the European Commission</i>	<i>CoR amendment</i>
<p>The Member State shall set up a committee to monitor the implementation of the programme ('monitoring committee') within three months of the date of notification to the Member State concerned of the decision approving the programme.</p> <p>(...)</p>	<p>The Member State – <i>in agreement with the relevant managing authority</i> – shall set up a committee <i>in accordance with the Code of Conduct on Partnership and Multi-level Governance and its institutional, legal and financial framework</i>, to monitor the implementation of the programme ('monitoring committee') within three months of the date of notification to the Member State concerned of the decision approving the programme.</p> <p>(...)</p>

Reason

A reference to the institutional, legal and financial framework in the Member States and the Code of Conduct is needed to ensure the proper involvement of the LRAs and the stakeholders. As the monitoring committee is set up to monitor a particular programme, the managing authority should be responsible for its establishment.

Amendment 48

Article 33(4)

<i>Text proposed by the European Commission</i>	<i>CoR amendment</i>
<p>The <i>Member State</i> shall publish the rules of procedures of the monitoring committee and all the data and information <i>shared with</i> the monitoring committee on the website referred to in Article 44(1).</p>	<p>The <i>managing authority</i> shall publish the rules of procedures of the monitoring committee and all the data and information <i>concerning work of</i> the monitoring committee on the website referred to in Article 44(1) <i>or indicate link to relevant website where all the data and information are available.</i></p>

Reason

All data and information for monitoring committees for current programming period are published on relevant websites established specially for that purpose. This good practise should be continued in 2021-2027.

Amendment 49

Article 35(1)(f)

<i>Text proposed by the European Commission</i>	<i>CoR amendment</i>
<p>The monitoring committee shall examine:</p>	<p>The monitoring committee shall examine:</p>

(...) (f) the implementation of communication and visibility actions; (...)	(...) (f) the implementation of communication and visibility actions <i>as laid down in the communication strategy</i> ; (...)
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Reason
We propose that the communication strategy be retained and that it be approved and amended by the monitoring committee for the operational programme.

Amendment 50

Article 35 (1), new point after point (i)

<i>Text proposed by the European Commission</i>	<i>CoR amendment</i>
The monitoring committee shall examine: (...)	The monitoring committee shall examine: (...) <i>(j) the methodology and criteria used for the selection of operations, including any changes thereto, without prejudice to points (b), (c) and (d) of Article 27(3);</i>

Reason
The approval of the monitoring committee should not be required for the methodology and selection criteria, as otherwise the work of the managing authority would be impeded.

Amendment 51

Article 35(2)

<i>Text proposed by the European Commission</i>	<i>CoR amendment</i>
The monitoring committee shall approve: (a) <i>the methodology and criteria used for the selection of operations, including any changes thereto, after consultation with the Commission pursuant to Article 67(2), without prejudice to points (b), (c) and (d) of Article 27(3);</i> (b) the annual performance reports for programmes supported by the EMFF, the AMF, the ISF and the BMVI, and the final performance report for programmes supported by the ERDF, the ESF+ and the Cohesion Fund; (c) the evaluation plan and any amendment thereto;	The monitoring committee shall approve: (a) the annual performance reports for programmes supported by the EMFF, the AMF, the ISF and the BMVI, and the final performance report for programmes supported by the ERDF, the ESF+ and the Cohesion Fund; (b) the evaluation plan and any amendment thereto; (c) any proposal by the managing authority for the amendment of a programme <i>excluding</i> for transfers in accordance with Article 19(5) and Article 21. (d) <i>changes in the list of planned operations of</i>

<p>(d) any proposal by the managing authority for the amendment of a programme including for transfers in accordance with Article 19(5) and Article 21.</p>	<p>strategic importance referred to in Article 17(3)(d)(i), and the information referred to under points (d)(iii), (d)(vii) and (d)(j) of Article 17(3).</p> <p>(e) the communication strategy of the operational programme and all amendments to that strategy.</p>
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<p>Reason</p>
<p>The approval of the monitoring committee should not be required for programme changes in the form of shifts between the priority axes under the 5% (or 10%) flexibility, as otherwise the managing authority would be deprived of the possibility of timely adjustments. The flexibility scheme would lose effectiveness.</p>

Amendment 52

Article 37(1)

Text proposed by the European Commission	CoR amendment
<p>The managing authority shall electronically transmit to the Commission cumulative data for each programme by 31 January, 31 March, 31 May, 31 July, 30 September and 30 November of each year in accordance with the template set out in Annex VII.</p> <p>The first transmission shall be due by 31 January 2022 and the last one by 31 January 2030.</p> <p>For programmes under Article 4(1)(c)(vii) of the ESF+ Regulation, data shall be transmitted annually by 30 November.</p>	<p>The managing authority shall electronically transmit to the Commission cumulative data for each programme by 31 January, 31 July and 31 October of each year in accordance with the template set out in Annex VII.</p> <p>The first transmission shall be due by 31 January 2022 and the last one by 31 January 2030.</p> <p>For programmes under Article 4(1)(c)(vii) of the ESF+ Regulation, data shall be transmitted annually by 30 November.</p>

<p>Reason</p>
<p>The transfer of data 6 times a year triggers a significant administrative burden and should be reduced to 3 times a year, as was the case under the current CPR.</p>

Amendment 53

Article 43(1)

Text proposed by the European Commission	CoR amendment
<p>(...)</p> <p>The communication coordinator shall involve in the visibility, transparency and communication activities the following bodies:</p>	<p>(...)</p> <p>The communication coordinator shall involve in the visibility, transparency and communication activities the following bodies:</p>

<p>(a) European Commission Representations and European Parliament Liaison Offices in the Member States; as well as Europe Direct Information Centres and other networks; educational and research institutions;</p> <p>(b) other relevant partners and bodies.</p>	<p>(a) European Commission Representations and European Parliament Liaison Offices in the Member States; as well as Europe Direct Information Centres and other networks; educational and research institutions;</p> <p>(b) <i>local and regional authorities involved in the implementation of the programmes;</i></p> <p>(c) other relevant partners and bodies.</p>
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<i>Reason</i>
The CPR should encourage cooperation between all levels of government involved in the implementation and communication of the programmes.

Amendment 54

Article 43(2)

<i>Text proposed by the European Commission</i>	<i>CoR amendment</i>
Each managing authority shall identify a communication officer for <i>each programme</i> ('programme communication <i>officer</i> ').	Each managing authority shall identify a communication officer for <i>one or several programmes</i> ('programme communication <i>officers</i> ').

<i>Reason</i>
In order to support the integration of funds with a view to achieving a more holistic approach based on increased synergies, it should be possible to have one officer for several programmes. This could also ensure more coherent communication across funds.

Amendment 55

Article 43(3)

<i>Text proposed by the European Commission</i>	<i>CoR amendment</i>
The Commission shall run a network comprising communication coordinators, programme communication officers and Commission representatives to exchange information on visibility, transparency and communication activities.	The Commission shall run a network comprising communication coordinators, programme communication officers, <i>representatives of the European Committee of the Regions</i> and Commission representatives to exchange information on visibility, transparency and communication activities.

<i>Reason</i>
The Commission is given the task of running a network of communicators which should also involve the CoR to ensure synergies and cooperation.

Amendment 56

Article 44, new paragraph after paragraph (1)

<i>Text proposed by the European Commission</i>	<i>CoR amendment</i>
	<p><i>The managing authorities shall draw up a communication strategy for each operational programme. A common communication strategy may be drawn up for several operational programmes. The communication strategy shall take into account the size of the operational programme or programmes concerned, in accordance with the principle of proportionality. The communication strategy shall include the elements set out in Annex VIII.</i></p> <p><i>The Member State and the managing authority shall ensure that the information and communication measures are applied in accordance with the communication strategy, in order to enhance visibility and interaction with citizens, and that such measures seek the widest possible media coverage.</i></p>

<i>Reason</i>
<p>The communication strategy is a key factor when designing and implementing visibility and communication obligations that we are anxious to highlight at present. Removing it completely would entail generating a degree of uncertainty when implementing these measures, and the risk of failing to ensure a minimum level of uniformity between the various bodies and organisations involved in bringing it about.</p>

Amendment 57

Article 44(2)

<i>Text proposed by the European Commission</i>	<i>CoR amendment</i>
<p>The managing authority shall publish on the website referred to in paragraph 1, <i>at the latest one month before the opening of a call for proposal</i>, a short summary of planned and published calls for proposals with the following data:</p> <p>(...)</p>	<p>The managing authority shall publish on the website referred to in paragraph 1 a short summary of planned and published calls for proposals with the following data:</p> <p>(...)</p>

<i>Reason</i>
<p>The provisions pursuant to Article 44(2) could lead to implementation delays, at the same time limiting the flexibility of the Managing Authorities.</p> <p>The elimination is therefore proposed of the provision, referring to the evaluation of the single</p>

administrations the choice of the most appropriate instruments to ensure the widest visibility of the funding opportunities.

Alternatively, if it is deemed necessary to maintain the aforementioned provision, it is required that the timing of publication would not be predefined but left to the determination of the managing authorities, in order to ensure consistency with the implementation planning.

Amendment 58

New article following Article 44

<i>Text proposed by the European Commission</i>	<i>CoR amendment</i>
	<p><i>1. The communication strategy drawn up by the managing authority shall be submitted to the monitoring committee for approval in accordance with point (e) of Article 35(2) no later than six months after the adoption of the operational programme or programmes concerned.</i></p> <p><i>Where a common communication strategy is drawn up for several operational programmes and concerns several monitoring committees, the Member State may designate one monitoring committee to be responsible, in consultation with the other relevant monitoring committees, for the approval of the common communication strategy and for the approval of any subsequent amendments to that strategy.</i></p> <p><i>Where necessary, the Member State or managing authorities may amend the communication strategy during the programming period. The amended communication strategy shall be submitted by the managing authority to the monitoring committee for approval in accordance with point (e) of Article 35(2).</i></p> <p><i>2. By way of derogation from the third subparagraph of paragraph 1 of the present article, the managing authority shall inform the monitoring committee or committees responsible at least once a year on the progress made in the implementation of the communication strategy as referred to in point (f) of Article 35(1) and on its analysis of the results, as well as on the planned information and communication activities and measures that will enhance visibility of the Funds to be carried out in the following year. The monitoring committee shall give an opinion on the planned activities and</i></p>

	<i>measures for the following year including on ways to increase the effectiveness of communication activities aimed at the public.</i>
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<i>Reason</i>
The approval, amendment and follow-up procedure for the communication strategy should be retained, because of its positive results in the 2014-2020 period, and because it would enable control by the Commission to be based on an organised, accessible document, thereby facilitating supervision.

Amendment 59

Article 50(2)(b)

<i>Text proposed by the European Commission</i>	<i>CoR amendment</i>
by dividing the latest documented monthly gross employment costs by the monthly working time of the person concerned in accordance with applicable national legislation referred to in the contract for employment.	by dividing the latest documented monthly gross employment costs by the monthly working time of the person concerned in accordance with applicable national legislation <i>or collective agreements</i> referred to in the contract for employment.

<i>Reason</i>
Reference to the basis for the employment contract.

Amendment 60

Article 52(2)

<i>Text proposed by the European Commission</i>	<i>CoR amendment</i>
Financial instruments shall provide support to final recipients only for <i>new</i> investments expected to be financially viable, such as generating revenues or savings, and which do not find sufficient funding from market sources.	Financial instruments shall provide support to final recipients only for investments expected to be financially viable, such as generating revenues or savings, and which do not find sufficient funding from <i>available</i> market sources.

<i>Reason</i>
Financial instruments should be used not only for new investments but for investments in general that are financially viable and if available market sources cannot provide the financing.

Amendment 61

Article 52, new paragraph after paragraph 6

<i>Text proposed by the European Commission</i>	<i>CoR amendment</i>
	<i>Where financial instruments support financing for enterprises, including SMEs, such support shall target the establishment of new enterprises, early-stage capital, i.e. seed capital and start-up</i>

	<p><i>capital, expansion capital, capital for the strengthening of the general activities of an enterprise, or the realisation of new projects, penetration of new markets or new developments by existing enterprises, without prejudice to applicable Union State aid rules, and in accordance with the Fund-specific rules. Such support may include investment in both tangible and intangible assets as well as working capital within the limits of applicable Union State aid rules and with a view to stimulating the private sector as a supplier of funding to enterprises. It may also include the costs of transfer of proprietary rights in enterprises provided that such transfers take place between independent investors.</i></p>
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Reason
The new CPR should also refer to the broad definition of investment as in the current CPR.

Amendment 62

Article 53(2)

<i>Text proposed by the European Commission</i>	<i>CoR amendment</i>
<p>Financial instruments managed under the responsibility of the managing authority may be set up as either of the following:</p> <p>(a) an investment of programme resources into the capital of a legal entity;</p> <p>(b) separate blocks of finance or fiduciary accounts within an institution.</p> <p>The managing authority shall select the body implementing a financial instrument.</p> <p>When the body selected by the managing authority implements a holding fund, that body may further select other bodies to implement a specific fund.</p>	<p>Financial instruments managed under the responsibility of the managing authority may be set up as either of the following:</p> <p>(a) an investment of programme resources into the capital of a legal entity;</p> <p>(b) separate blocks of finance or fiduciary accounts within an institution.</p> <p>The managing authority shall select the body implementing a financial instrument <i>in accordance with Article 67.</i></p> <p>When the body selected by the managing authority implements a holding fund, that body may further select other bodies to implement a specific fund.</p>

Reason
In order to ensure the market-driven implementation of financial instruments and to mitigate the audit risks for selection of the body implementing a financial instrument, the accordance with Article 67 is crucial. In line with the amendment preamble (44), 62(3), 67(4) should be also amended.

Amendment 63

Article 53(6)

<i>Text proposed by the European Commission</i>	<i>CoR amendment</i>
National co-financing of a programme may be provided either by the managing authority or at the level of holding funds, or at the level of specific funds, or at the level of investments in final recipients, in accordance with the Fund-specific rules. When the national co-financing is provided at the level of investments in final recipients, the body implementing financial instruments shall keep documentary evidence demonstrating the eligibility of the underlying expenditure.	National co-financing of a programme may be provided either by the managing authority or holding funds, or specific funds, or private investors or final recipients, in accordance with the Fund-specific rules. When the national co-financing is provided by or at the level of investments in final recipients, the body implementing financial instruments shall keep documentary evidence demonstrating the eligibility of the underlying expenditure.

Reason

There is no reason to exclude the final recipient's own contribution as eligible national co-financing if it is intended to finance the same investment. Such exclusion constitutes unjustified tightening of eligibility conditions comparing to grants.

Amendment 64

Article 59(3)

<i>Text proposed by the European Commission</i>	<i>CoR amendment</i>
Paragraphs 1 and 2 shall not apply to any operation which undergoes cessation of a productive activity due to a non-fraudulent bankruptcy.	Paragraphs 1 and 2 shall not apply to programme contributions to or from financial instruments and any operation which undergoes cessation of a productive activity due to a non-fraudulent bankruptcy.

Reason

Financial instruments operations should be explicitly exempted from the provisions on durability. Such derogation was introduced for both 2007-2013 and 2014-2020 with success.

Amendment 65

Article 63(7)

<i>Text proposed by the European Commission</i>	<i>CoR amendment</i>
Member States shall ensure that all exchanges of information between beneficiaries and the programme authorities are carried out by means of electronic data exchange systems in accordance with Annex XII.	Member States shall ensure that where appropriate the exchanges of information between beneficiaries and the programme authorities can be carried out by means of electronic data exchange systems in accordance with Annex XII.

(...)	(...)
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Reason
It would impose an unnecessary burden to require all data exchanges electronically.

Amendment 66

Article 64(4)

Text proposed by the European Commission	CoR amendment
(...)	(...)
(c) the Commission shall transmit the preliminary audit findings, in at least one of the <i>official</i> languages of the <i>Union</i> , no later than 3 months after the last day of the audit, to the competent Member State authority.	(c) the Commission shall transmit the preliminary audit findings, in at least one of the languages of the <i>Member State concerned</i> , no later than 3 months after the last day of the audit, to the competent Member State authority.
(d) the Commission shall transmit the audit report, in at least one of the <i>official</i> languages of the <i>Union</i> , no later than 3 months from the date of receiving a complete reply from the competent Member State authority to the preliminary audit findings.	(d) the Commission shall transmit the audit report, in at least one of the languages of the <i>Member State concerned</i> , no later than 3 months from the date of receiving a complete reply from the competent Member State authority to the preliminary audit findings.
(...)	(...)

Reason
This should help speed up implementation as the authorities concerned do not have to wait for additional translation, should it be necessary.

Amendment 67

Article 67(2)

Text proposed by the European Commission	CoR amendment
<i>Upon request of the Commission, the managing authority shall consult the Commission and take its comments into account prior to the initial submission of the selection criteria to the monitoring committee and before any subsequent changes to those criteria.</i>	

Reason
The conditions under which the Commission may request to be consulted about selection criteria are unclear. This would impede the autonomy and decision-making process of the managing authority.

Amendment 68

Article 84(2)

<i>Text proposed by the European Commission</i>	<i>CoR amendment</i>
<p>The pre-financing for each Fund shall be paid in yearly instalments before 1 July of each year, subject to availability of funds, as follows:</p> <p>(a) 2021: 0.5%; (b) 2022: 0.5%; (c) 2023: 0.5%; (d) 2024: 0.5%; (e) 2025: 0.5%; (f) 2026: 0.5%</p> <p>Where a programme is adopted after 1 July 2021, the earlier instalments shall be paid in the year of adoption.</p>	<p>The pre-financing for each Fund shall be paid in yearly instalments before 1 July of each year, subject to availability of funds, as follows:</p> <p>(a) 2021: 2%; (b) 2022: 2%; (c) 2023: 2%; (d) 2024: 2%; (e) 2025: 2%; (f) 2026: 2%</p> <p>Where a programme is adopted after 1 July 2021, the earlier instalments shall be paid in the year of adoption.</p>

Reason

In comparison to the current CPR, the annual pre-financing amount is too sharply reduced in the new CPR.

Amendment 69

Article 85(4)

<i>Text proposed by the European Commission</i>	<i>CoR amendment</i>
<p>By way of derogation from point (a) of paragraph 3, the following shall apply:</p> <p>(a) where the Union contribution is made pursuant to point (a) of Article 46, the amounts included in a payment application shall be the amounts justified by the progress in the fulfilment of conditions, or achievement of results, in accordance with the decision referred to in Article 89(2);</p> <p>(b) where the Union contribution is made pursuant to points (c), (d) and (e) of Article 46, the amounts included in an payment application shall be the amounts determined in accordance with the decision referred to in Article 88(3);</p> <p>(c) for the forms of grants listed in points (b), (c) and (d) of Article 48(1), the amounts included</p>	<p>By way of derogation from point (a) of paragraph 3, the following shall apply:</p> <p>(a) where the Union contribution is made pursuant to point (a) of Article 46, the amounts included in a payment application shall be the amounts justified by the progress in the fulfilment of conditions, or achievement of results, in accordance with the decision referred to in Article 89(2);</p> <p>(b) where the Union contribution is made pursuant to points (c), (d) and (e) of Article 46, the amounts included in an payment application shall be the amounts determined in accordance with the decision referred to in Article 88(3);</p> <p>(c) for the forms of grants listed in points (b), (c) and (d) of Article 48(1), the amounts included</p>

in a payment application shall be the costs calculated on the applicable basis.	in a payment application shall be the costs calculated on the applicable basis; <i>(d) in the case of State Aid the payment application may include advances paid to the beneficiary by the body granting the aid under the condition that those advances do not exceed 40% of the total amount of the aid to be granted to a beneficiary for a given operation.</i>
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Reason
The current CPR provides, in Article 131(4)(b), the possibility of paying advances up to 40% This option should be maintained in the new CPR.

Amendment 70

Article 86

Text proposed by the European Commission	CoR amendment
<p>(...)</p> <p>2. Where financial instruments are implemented in accordance with Article 53(3), payment applications <i>that</i> include expenditure for <i>financial instruments shall be submitted in accordance with the following conditions:</i></p> <p><i>(a) the amount included in the first payment application shall have been paid to the financial instruments and may be up to 25% of the total amount of programme contributions committed to the financial instruments under the relevant funding agreement, in accordance with the relevant priority and category of region, if applicable;</i></p> <p><i>(b) the amount included in subsequent payment applications submitted during the eligibility period shall include the eligible expenditure as referred to in Article 62(1).</i></p> <p><i>3. The amount included in the first payment application, referred to in point (a) of paragraph 2, shall be cleared from Commission accounts no later than the final accounting year. It shall be disclosed separately in payment applications.</i></p>	<p>(...)</p> <p>2. Where financial instruments are implemented in accordance with Article 53(2), payment applications include expenditure for <i>establishment</i> of financial instruments <i>or contribution to them.</i></p>

Reason
In the 2014-2020 period the programme contribution to financial instruments limits the flexibility of established instruments and the possibility of simultaneous opening of several financial products. The amendment is based on best practice from 2007-2013 period.

Amendment 71

Article 88(2)

<i>Text proposed by the European Commission</i>	<i>CoR amendment</i>
(...) (c) the rules on corresponding unit costs and lump sums applicable in Union policies for a similar type of operation; (d) the rules on corresponding unit costs and lump sums applied under schemes for grants funded entirely by the Member State for a similar type of operation.	(...) (c) the rules on corresponding unit costs, lump sums and flat rates applicable in Union policies for a similar type of operation; (d) the rules on corresponding unit costs, lump sums and flat rates applied under schemes for grants funded entirely by the Member State for a similar type of operation.

<i>Reason</i>
For the coherence of the Article.

Amendment 72

Article 99(1)

<i>Text proposed by the European Commission</i>	<i>CoR amendment</i>
The Commission shall decommit any amount in a programme which has not been used for pre-financing in accordance with Article 84 or for which a payment application has not been submitted in accordance with Articles 85 and 86 by 26 December of the second calendar year following the year of the budget commitments for the years 2021 to 2026.	The Commission shall decommit any amount in a programme which has not been used for pre-financing in accordance with Article 84 or for which a payment application has not been submitted in accordance with Articles 85 and 86 by 31 December of the third calendar year following the year of the budget commitments for the years 2021 to 2026. <i>In the event of payment stops on a legal or precautionary basis, an extension shall be applied as well.</i>

<i>Reason</i>
The decommitment rules should not be shortened, but remain at n+3, given the current difficulties of many LRAs in providing the sufficient co-financing. Also, the deadline should be the end of the year.

Amendment 73

Article 103(2)

<i>Text proposed by the European Commission</i>	<i>CoR amendment</i>
The Commission shall adopt a decision, by means of implementing act, setting out the annual breakdown of the global resources per Member State under the Investment for jobs and growth	The Commission shall adopt a decision, by means of implementing act, setting out the annual breakdown of the global resources per Member State under the Investment for jobs and growth

<p>goal, per category of regions, together with the list of eligible regions in accordance with the methodology set out in Annex XXII.</p> <p>That decision shall also set out the annual breakdown of the global resources per Member State under the European territorial cooperation goal (Interreg).</p>	<p>goal, per category of regions, together with the list of eligible regions in accordance with the methodology set out in Annex XXII.</p> <p>That decision shall also set out the annual breakdown of the global resources per Member State under the European territorial cooperation goal (Interreg).</p> <p><i>Thereby the minimum overall allocation from the Funds, at both national and regional level, should be equal to 76% of the budget allocated to each Member State or region over the 2014-2020 period.</i></p>
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Reason
The safety net provided by the Commission at national level does not prevent disproportionate cuts in individual assisted areas, which would not be justified by cohesion policy.

Amendment 74

Article 104(7)

Text proposed by the European Commission	CoR amendment
Resources for the European territorial cooperation goal (Interreg) shall amount to 2.5% of the global resources available for budgetary commitment from the Funds for the period 2021-2027 (i.e. a total of EUR 8 430 000 000).	Resources for the European territorial cooperation goal (Interreg) shall amount to 3.3% of the global resources available for budgetary commitment from the Funds for the period 2021-2027 (i.e. a total of EUR XX XXX XXX XXX).

Reason
The Commission proposal would lead to significant budgetary cuts for territorial cooperation actions, despite the inclusion of new actions in the draft ETC Regulation. The CoR therefore suggests increasing the resources for the European territorial cooperation goal to 3.3% of the overall resources for cohesion policy, which would make it possible to safeguard the existing cross-border cooperation programmes, as well as interregional cooperation and cooperation for the outermost regions. The current allocation method for the European territorial cooperation goal as laid down in Annex VII to Regulation (EU) No 1303/2013 should be maintained, given that the proposed new allocation method for the European territorial cooperation goal would discriminate against Member States and regions with a low population density along their borders (in particular the new 25 kilometres criterion).

Amendment 75

Article 105(1)

Text proposed by the European Commission	CoR amendment
The Commission may accept a proposal by a Member State in its submission of the Partnership	The Commission may accept a proposal by a Member State in its submission of the Partnership

<p>Agreement or in the context of the mid-term review, for a transfer:</p> <p><i>(a) of not more than 15% of the total allocations for less developed regions to transition regions or more developed regions and from transition regions to more developed regions;</i></p> <p><i>(b) from the allocations for more developed regions or transition regions to less developed regions.</i></p>	<p>Agreement or in the context of the mid-term review, for a transfer <i>of not more than 15% of the total allocations.</i></p>
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Reason
There should be possibilities for transfers between all categories of regions.

Amendment 76

Article 106(1)

<i>Text proposed by the European Commission</i>	<i>CoR amendment</i>
The Commission decision approving a programme shall fix the <i>co-financing rate and the</i> maximum amount of support from the Funds for each priority.	The Commission decision approving a programme shall fix the maximum amount of support from the Funds for each priority <i>and the co-financing rate for the programme.</i>

Reason
Fixing the maximum co-financing rate on OP level (instead of maximum rates for each priority) enables more flexibility in implementation process. These would allow to diversify co-finance in priorities depending on types of interventions.

Amendment 77

Article 106(3)

<i>Text proposed by the European Commission</i>	<i>CoR amendment</i>
<p>The co-financing rate for the Investment for jobs and growth goal at the level of each priority shall not be higher than:</p> <p>(a) 70% for the less developed regions ;</p> <p>(b) 55% for the transition regions;</p> <p>(c) 40% for the more developed regions.</p> <p>The co-financing rates set out under point (a), shall also apply to outermost regions.</p>	<p>The co-financing rate for the Investment for jobs and growth goal at the level of each priority shall not be higher than:</p> <p>(a) 85% for the less developed regions;</p> <p>(b) 70% for the transition regions;</p> <p>(c) 50% for the more developed regions.</p> <p>The co-financing rates set out under point (a), shall also apply to outermost regions.</p>

The co-financing rate for the Cohesion Fund at the level of each priority shall not be higher than 70% .	The co-financing rate for the Cohesion Fund at the level of each priority shall not be higher than 85% .
The ESF+ Regulation may establish higher co-financing rates for priorities supporting innovative actions in accordance with Article [14] of that Regulation.	The ESF+ Regulation may establish higher co-financing rates for priorities supporting innovative actions in accordance with Article [14] of that Regulation.

<i>Reason</i>
The co-financing rates should be kept at the current level.

Amendment 78
Article 106(4)

<i>Text proposed by the European Commission</i>	<i>CoR amendment</i>
The co-financing rate for Interreg programmes shall be no higher than 70% .	The co-financing rate for Interreg programmes shall be no higher than 85% .
(...)	(...)

<i>Reason</i>
The co-financing for ETC should be kept at 85%.

II. POLICY RECOMMENDATIONS

THE EUROPEAN COMMITTEE OF THE REGIONS

General remarks

1. endorses the key objectives that the Commission pursues with the new Common Provisions Regulation (CPR), in particular to modernise cohesion policy by making it simpler, more flexible and more effective, and to substantially reduce unnecessary administrative burdens for beneficiaries and managing authorities;
2. welcomes the fact that cohesion policy remains available for all regions in the European Union, which was one of the key concerns for the European Committee of the Regions in its previous opinions on the matter, and was also a key message of the #CohesionAlliance;
3. welcomes the fact that the shared management approach is confirmed but points out that actions should continue to be taken at the "most appropriate territorial level" by bolstering local and regional authorities' roles in managing programmes as closely as possible to citizens in line with the principles of subsidiarity, multi-level governance and partnership;

4. calls for further simplification, for example by reducing administrative burdens stemming from state aid regulations;

Objectives and general rules on support

5. endorses the five new policy objectives, given that they on the one hand largely correspond to the previous thematic objectives, and on the other hand allow for more flexibility due to their broader definitions;
6. considers that taking the EAFRD out of the CPR is a real cause for concern, because it risks undermining the integrated approach of the Structural and Investment Funds in rural areas, given that rural development is a basic component of cohesion policy objectives. In order to increase synergies with rural development, the Committee calls for the EAFRD to be reintroduced into the CPR (see the CoR opinion NAT-VI/034 on the CAP); however, expresses appreciation for the fact that in the proposal for the Regulation for the CAP Strategic Plans (Art. 2) there is, for some themes, reference to the new CPR, particularly for integrated territorial development issues;
7. reiterates that the European Social Fund has to remain anchored within cohesion policy as it is the EU's main instrument to invest in people and human capital, to promote social inclusion and equality between men and women and to improve the lives of millions of European citizens;
8. underlines the importance of the principles of partnership and multi-level governance and calls for the inclusion of the existing Code of Conduct as an Annex to the draft Regulation; calls for the full implementation of the Code of Conduct to ensure that the involvement of local and regional authorities amounts to full partnership;

Strategic approach

9. regrets that the Commission proposal is not embedded in a renewed long-term strategy succeeding the Europe 2020 Strategy; would expect that such a new long-term EU strategy implementing the Sustainable Development Goals and based on a reformed governance fully building on multi-level governance will be presented by the Commission;
10. welcomes the new Partnership Agreement as a simpler and leaner document;
11. insists that any transfers between the Funds or from the Funds to the InvestEU Programme or to other Union instruments under direct or indirect management need to fully comply with the principles of subsidiarity and multilevel governance and must not weaken the place-based approach of the funds;
12. welcomes the fact that the number of enabling conditions has been reduced and that in particular the thematic enabling conditions are now more clearly linked to the strategic policy frameworks in the specific areas;

13. expresses concern, however, for the fact that payments are not possible as long as the Commission has not informed the Member State of the fulfilment of the enabling conditions, as it could determine delays in implementing programmes;
14. demands that the new programming system should already lay down the allocations for all years of the programming period, including indicative allocations for 2026 and 2027, in order to strike the right balance between, on the one hand, additional flexibility and cohesion policy's capacity to act and, on the other hand, the importance of maintaining the long-term strategic investment approach of cohesion policy which is based on the entire 7-year funding period;
15. reiterates the firm opposition of the CoR to the negative idea of macro-economic conditionality which – as a result of the link between the ESIFs and economic governance – involves "taking cities and regions hostage" because of failings of national governments. Cohesion policy, pursuing goals that have little to do with macro-economic governance, must not be subject to conditionalities that cannot be influenced by local and regional authorities and other beneficiaries. Payments to final recipients or beneficiaries should therefore not be affected by the inappropriate imposition of macro-economic conditionalities by the Member State;
16. notes, on the other hand, an insufficient analysis of the operational procedures for the connection of the European Semester to cohesion policy and a lack of clarity on the modalities of coordination between cohesion policy interventions and the measures of the Reform Support Programme and insists that the specific objectives of cohesion policy are always respected to enhance the regional dimension of the European Semester;
17. believes that the enabling condition mechanism already intervenes effectively in areas of reform relevant for cohesion policy;
18. welcomes the strengthening of the status of integrated territorial instruments, which constitute a unique tool for supporting a "bottom-up" approach; stresses, however, the need for greater respect for the remit and competencies of the authorities responsible for the selection of operations;

Programming

19. calls for a streamlining of the structure of the programmes, which do not appear to be simplified compared to the current period. Considers that the time foreseen for approving the changes is too long as it is the same as the one envisaged for the approval of the programme;
20. considers that the suggested flat rate of 2.5% for technical assistance for the ERDF and the Cohesion Fund remains insufficient and, in this respect, suggests a flat rate of 5% for technical assistance, also taking into account that the new Regulation does not contain a specific objective regarding capacity building;

Monitoring, evaluation, communication and visibility

21. welcomes the intention of the new CPR to strengthen the transparency and visibility of the implementation of the funds, recalling the CoR's request for more precise measures to strengthen the local and regional accountability and visibility of ESI funds on the ground and for substantially increasing the visibility of cohesion policy measures through appropriate communication actions, as they are one of the indisputable advantages of EU integration for people at local level;
22. suggests, however, that managing authorities should be allowed to identify a single communication officer for more programmes with the aim of increasing coherence;

Financial support

23. endorses the new provisions intended to increase the take-up of simplified cost options, as well as the new provisions that aim at streamlining the use of financial instruments and integrating them better into the programming and implementation process;

Management and control

24. considers that the elimination of the procedures for designating authorities and identifying certifying authorities, and the increased reliance on national management systems, constitute a welcome reduction of the administrative burden on the authorities responsible for the implementation of the ESIF;
25. appreciates the simplification of the audit rules in the proposed CPR and in particular the new provisions that strengthen the single audit principle, which not only significantly decreases the administrative burden for programme authorities and beneficiaries, but also contributes to proportionality;
26. welcomes also the possibility of enhanced proportionate arrangements for programmes with a well-functioning management and control system and a good track record;

Financial management

27. expresses its concerns that the level of pre-financing has been drastically reduced to an annual payment of 0.5% of the total support of each Funds and asks for a higher pre-financing rate of at least 2% on average;
28. points out that reintroducing the "n+2" rule would cause the overlap of the closure of the current programming period with the first n+2 target of the new one, which imposes a heavy administrative burden on the implementation of programmes. In this respect, calls for maintaining the current "n+3" rule;

Financial framework

29. welcomes the fact that the new CPR maintains the existing architecture with three categories of regions (less developed regions, transition regions, more developed regions) at NUTS 2 level, and endorses the shift of the threshold between transition regions and more developed regions from 90% of the average GDP per capita to 100%, given that this reflects the observations of the 7th Cohesion Report on regions with a GDP per capita close to the EU average, which seem stuck in a "middle-income trap" with significantly lower growth rates than the EU average;
30. asks to maintain the current level of co-financing rates at 85% for the less developed regions, the outermost regions, as well as for the Cohesion Fund and the ETC goal, at 70% for the transition regions, and at 50% for the more developed regions in light of the fact that an overall reduction could generate a risk of a decommitment of funds, particularly in less developed regions and would also reduce the attractiveness of cohesion policy, particularly in more developed regions;
31. considers that setting a maximum ceiling for VAT as eligible expenditure (EUR 5 000 000) may make the programmes less attractive to applicants, particularly in the case of important infrastructural projects;
32. calls for the Commission to update the Annexes to the regulation in accordance with the amendments in this opinion, focusing in particular on:
 - knowledge valorisation and measures for involving start-ups and SMEs in smart specialisation initiatives,
 - a detailed outline of the requirements for communication strategies,
 - a re-evaluation of the weighted sum of the share of the population of NUTS 3 and NUTS 2 border regions and the share of the total population of each Member State for cross-border and transnational cooperation programmes,
 - taking into account the regional effects of maximum total allocation from the Funds for a Member State.

Brussels, 5 December 2018

The President
of the European Committee of the Regions

Karl-Heinz Lambertz

The Secretary-General
of the European Committee of the Regions

Jiří Buriánek

III. PROCEDURE

Title	Common Provisions Regulation
Reference(s)	COM (2018) 375 - final
Legal basis	Article 307 TEFU
Procedural basis	Rule 41 a) of the CoR Rules of Procedure
Date of Council/EP referral/Date of Commission letter	<ul style="list-style-type: none"> – Letter from the Commission dated 30 May 2018 – Council referral letter dated 19 June 2018 – EP referral letter dated 18 June 2018
Date of Bureau/President's decision	28 June 2018
Commission responsible	Commission for Territorial Cohesion Policy and the EU Budget
Co-rapporteurs	Catiuscia Marini (IT/PES) and Michael Schneider(DE/EPP)
Analysis	23 July 2018
Discussed in commission	N/A
Date adopted by commission	24 October 2018
Result of the vote in commission (majority, unanimity)	unanimity
Date adopted in plenary	5 December 2018
Previous Committee opinions	<ul style="list-style-type: none"> – Opinion on Simplification of ESIF from the perspective of Local and Regional Authorities¹ – Opinion on The future of Cohesion Policy beyond 2020² – Opinion on The financial rules applicable to the general budget of the Union³ – Opinion on Final conclusions and recommendations of the High Level Group on Simplification post-2020⁴ – Resolution on Changing the ESI funds Common Provisions Regulation to support structural reforms⁵ – Opinion on The cost and risk of non-cohesion: The strategic value of cohesion policy for pursuing the Treaty objectives and facing new challenges for European regions⁶
Date of subsidiarity monitoring consultation	N/A

¹ [OJ C 88, 21.3.2017, p. 12.](#)

² [OJ C 306, 15.9.2017, p. 8](#)

³ [OJ C 306, 15.9.2017, p. 64](#)

⁴ [OJ C 176, 23.5.2018, p. 51](#)

⁵ [OJ C 176, 23.5.2018, p. 5](#)

⁶ [OJ C 247, 13.7.2018, p. 16](#)