



Council of the
European Union

Brussels, 16 October 2020
(OR. en)

11991/20

Interinstitutional File:
2018/0322 (COD)

FSTR 168
FC 85
REGIO 252
SOC 621
AGRISTR 90
PECHE 323
CADREFIN 336
POLGEN 175

COVER NOTE

From:	Secretary-General of the European Commission, signed by Ms Martine DEPREZ, Director
date of receipt:	8 October 2020
To:	Mr Jeppe TRANHOLM-MIKKELSEN, Secretary-General of the Council of the European Union
No. Cion doc.:	COM(2020) 648 final
Subject:	COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT pursuant to Article 294(6) of the Treaty on the Functioning of the European Union concerning the position of the Council on the adoption of a Regulation of the European Parliament and of the Council amending Regulation (EU) No 1303/2013 as regards the adjustment of annual pre-financing for the years 2021-2023

Delegations will find attached document COM(2020) 648 final.

Encl.: COM(2020) 648 final



Brussels, 8.10.2020
COM(2020) 648 final

2018/0322 (COD)

**COMMUNICATION FROM THE COMMISSION
TO THE EUROPEAN PARLIAMENT**

pursuant to Article 294(6) of the Treaty on the Functioning of the European Union

concerning the

**position of the Council on the adoption of a Regulation of the European Parliament and
of the Council amending Regulation (EU) No 1303/2013 as regards the adjustment of
annual pre-financing for the years 2021-2023**

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1. BACKGROUND

Date of transmission of the proposal to the European Parliament and to the Council (document COM(2018) 614 final-2018/0322 (COD)): 07/09/2018

Date of the position of the European Parliament, first reading: 04/04/2019

Date of adoption of the position of the Council: 07/10/2020

2. OBJECTIVE OF THE PROPOSAL FROM THE COMMISSION

The aim of the Commission proposal was to reduce the annual pre-financing levels to 1% from the current 3% for the years 2021-2023 for the 2014-2020 programming period. The proposal intended to increase transparency and contribute to the predictability of budgetary planning and to a more stable and predictable payment profile. The reduction was proposed for the last three years of the current programming period (years 2021-2023), which overlap with the next programming period starting in 2021. This approach took into account payment needs stemming from pre-financing arrangements proposed for the 2021-2027 programmes where only initial pre-financing would be paid in six annual tranches.

3. COMMENTS ON THE POSITIONS OF THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS

The EESC (rapporteur: Mr Doz Orrit) adopted its opinion at the Plenary of 23 and 24 January 2019, which rejects the Commission proposal. The Commission maintained its original proposal at that stage. The Committee of the Regions did not issue an opinion.

4. COMMENTS ON THE POSITION OF THE EUROPEAN PARLIAMENT

The European Parliament adopted its first reading position on 4 April 2019. The Parliament presented one amendment aiming at reducing the annual pre-financing levels for the years 2021-2023 to 2%, instead of reducing it to the 1% proposed by the Commission. The Commission maintained its original proposal at that stage.

5. COMMENTS ON THE POSITION OF THE COUNCIL

The Council position, based on the European Council conclusions of 21 July 2020, reflects the European Parliament's first reading position.

The only Council amendment reduces the annual pre-financing levels for the years 2021-2023 to 2%, instead of reducing it to the proposed 1%. The Commission services assisted in the calculations leading up to the conclusions reached at the European Council and the agreed rate was viewed as feasible.

6. CONCLUSION

The Commission accepts the changes made by the Council and the European Parliament.