

Courtesy Translation

TO
MR JOSÉ MANUEL BARROSO
PRESIDENT OF THE
EUROPEAN COMMISSION

Subject: Statement of the National Assembly of the Republic of Bulgaria on the EU Cohesion Policy legislative package for the period 2014-2020, accepted by the European Commission on 6 October 2011

DEAR MR BARROSO,

At a regular sitting, held on 30 November 2011, the Committee on European Affairs and Oversight of the European Funds (CEAOEF) discussed the EU Cohesion Policy legislative package for the period 2014-2020 and the Bulgaria's government position on the proposals.

CEAOEF closely follows the development of the Cohesion Policy debate on EU level and Bulgaria's participation in it. On its behalf, CEAOEF has provoked a broad discussion on the issue within the Bulgarian Parliament, involving all stakeholders. Among the main CEAOEF initiatives in this regard, the following should be mentioned:

- Joint meeting of CEAOEF and the Regional Policy and Local Self-Government Committee with the Chairperson of the Regional Policy Committee within the European Parliament – Ms Danuta Hübner (1 April 2011). During her visit to the National Assembly Professor Hübner called for active participation of the Bulgarian government and all the parliamentary committees in the discussion process on the future of EU Cohesion policy;
- Broad discussion within the Council for Public Consultations at CEAOEF with the participation of the civil society representatives on the topic "The Future of Cohesion Policy – Are We Ready for the Challenges of the Period 2014-2020" (12 July 2011);
- Presentation of CEAOEF Interim Report on the Absorption of the EU Funds in the Republic of Bulgaria for the period January-June 2011. In the Report, CEAOEF addresses some key recommendations to the Government related to the 2014-2020 programming process as well as for Bulgaria's participation in the debates on the future of the EU Cohesion policy (14 September 2011);
- Adoption of CEAOEF position on the Future EU Cohesion Policy 2014-2020 from the Bulgarian Parliament point of view prior to the European Commission legislative proposals (14 September 2011).

As a result of our activity, the Bulgarian Parliament Statement on the Cohesion Policy legislative package comes as a logical continuation of the broad discussion on the issue with all stakeholders.

The Statement reflects the **in-principal support of the Bulgarian Parliament for the new Cohesion Policy conceptual framework, proposed by the European Commission**. As the objectives in the proposed regulations can be better achieved at EU level, we consider the latter **in compliance with the principle of subsidiarity**, established in article 5, paragraph 3 of the Treaty on European Union. Meanwhile, the Bulgarian Parliament Statement outlines **some views and recommendations on certain parts of the legislative package in line with Bulgaria's national interests**.

In the framework of the intensive political dialogue between the Bulgarian Parliament and the European Institutions on the EU draft acts, attached herewith please find the approved CEAOEF Report and the Statement, reflecting the Bulgarian Parliament's position on the issue.

Enclosure: as per text.

Looking forward to our fruitful cooperation in future.

Yours sincerely,

**PRESIDENT
OF THE NATIONAL ASSEMBLY**

TSETSKA TSACHEVA



**NATIONAL ASSEMBLY
OF THE REPUBLIC OF BULGARIA**

STATEMENT

**OF THE COMMITTEE ON EUROPEAN AFFAIRS AND OVERSIGHT OF THE EUROPEAN FUNDS
TO THE NATIONAL ASSEMBLY OF THE REPUBLIC OF BULGARIA**

At a regular sitting, held on **30 November 2011** the Committee on European Affairs and Oversight of the European Funds (CEAOEF) **discussed the EU Cohesion Policy legislative package for the period 2014-2020** and the Bulgaria's government position on the proposals.

In its capacity as a Committee whose activities are firmly based on the principle of double democratic control (by the Parliament and the Council for Public Consultations to the Committee) and active involvement in the European agenda, the CEAOEF expresses the following **statement** vis-a-vis the proposed legislative package on the future of the EU Cohesion Policy (2014-2020), which is to be sent to the European institutions:

1. The regulations proposed in the legislative package for the future of the EU Cohesion Policy are **in compliance with the principle of subsidiarity**, established in article 5, paragraph 3 of the Treaty on European Union (TEU), because the objectives in the proposed regulations can be better achieved at EU level. Nonetheless, it is worth noting that the grounds for compliance with the subsidiarity principle, provided by the EU Commission, do not contain sufficient quantitative as well as qualitative elements substantiating the proposals;
2. The Committee supports in principle the idea of introducing overarching rules for all the five funds aiming to **simplify procedures and de-bureaucratize processes** as well as to **improve coordination and coherence amongst instruments**. The adoption of a **more integrated approach** would bring for boosting the impact of interventions undertaken under the individual sources of financing.

With regard to the recommendation to the Member States to merge and reduce the number of authorities responsible for the Cohesion Policy funds, the Bulgarian Parliament has already expressed its readiness, in acting jointly with the Executive, to pass a **Law on the EU Funds** for the period 2014-2020 reflecting the forthcoming transformation of the EU funds management model in Bulgaria;

3. To become feasible, the idea of establishing a **Common Strategic Framework (CSF)** covering the EU top priorities and applicable to all funds should take into account the targeting specificity of the Cohesion Policy funds and the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund to avoid complicating the management process.

In order for the CSF to be **effective while taking into account the specifics as well as the national context** of the Europe 2020 Strategy, there is a need to revisit the possibility of empowering the European Commission to adopt a delegated act on the CSF and consider applying the ordinary legislative procedure;

4. The Committee welcomes the drive for integrated development through the so called **multi-fund programmes** providing for the opportunity of targeted financing from all three funds (CF, ERDF and ESF) under a single OP depending on the priorities;
5. The Committee welcomes the proposal for **e-cohesion**, i.e. for submitting information electronically. In its recommendations to the Managing Authorities regarding the respective Operational Programs within the current programming period, the Bulgarian Parliament has always stressed the importance of e-filing and e-reporting as a way to maximum facilitation of beneficiaries;
6. The Committee supports the **increase of Cohesion Policy funds** and believes that providing an enhanced financial support for the less developed regions and countries would contribute for the **economic, social and territorial cohesion within the European Union**;
7. The Committee is of the opinion that the EU budget spending on delivering the **Europe 2020 Strategy** priorities has to be adjusted taking into account the specific priorities of the Member States and the level of their development;
8. The Committee welcomes the Cohesion Policy with a **stronger focus on results** and maximized effects of EU financing. Binding funds disbursement with results is a good measure, however it requires **elaboration of precise and concrete indicators for reporting the direct relation between interventions and effects**;
9. The Committee welcomes the introduced possibility for a faster, outcome-based funding through **Joint Action Plans with the EU**, however underscoring the necessity to include **infrastructural projects in the scope of this instrument**, in view of the need of the Central and Eastern European countries for such projects and respectively of the overall territorial and economic cohesion of the European Union;
10. The Committee welcomes the idea for signing **Partnership Contracts** between the European Commission and the Member States with strictly defined targets, anticipated results and conditions for receiving support. However the clear-cut conditions should not limit the possibilities for **resorting to a flexible approach upon occurrence of changes** in the international environment, emerging of economic and financial crises or impact on the regions by unexpected negative economic factors at global, European or national level. The foreseen possibility for revising the national strategies and operational programmes in the event of economic difficulties is a continuous process that would inevitably result in non-adherence to the preliminary fund absorption time-tables set in the Partnership Contracts;
11. The Committee welcomes the so called conditionalities with a focus on the **macroeconomic conditionalities, as we believe in their disciplining effect on the Member States**. Bulgaria is among the countries with lowest budget deficit and debt and in this regard the Committee believes that additional incentives should be foreseen for the countries pursuing strict fiscal discipline. Furthermore, CEADEF is of the opinion that the **macroeconomic conditionalities have to fully respect the principles of subsidiarity and proportionality**;
12. The Committee welcomes the establishment of a **more solid relation between the Cohesion Policy and EU Economic Governance**;

13. The Committee welcomes the system of **simplified costs**, i.e. the use of flat rates and standard forms of cost accounting based on unit price and lump sums as this would ease the administrative burden at reporting and help focus on actual outcomes. What is needed to this end are uniform and clear-cut rules;
14. The Committee welcomes the approach of encouraging **the use of innovative financial instruments** but at the same time we believe that the Republic of Bulgaria should be accorded a larger share of financing along the **traditional grants** line, in view of the country's actual needs and its comparatively short participation in the EU Cohesion Policy (as well as its affiliation to the least developed regions group);
15. The Committee supports the idea of attaining the goals of **Europe 2020 Strategy** and deems as necessary the preservation of balance between the basic priorities which reflect the national realities and the priorities at European level. **Basic infrastructure remains among the country's top priorities for the period 2014-2020 because of its key significance for the economic and social cohesion of the regions undergoing convergence;**
16. The Committee welcomes the measures for **territorial cohesion** with a focus on **sustainable urban development**. Prerequisites are in place in Bulgaria for carrying out interventions in areas of specific natural or demographic characteristics by channeling additional financial resources to the remotest or most scarcely populated zones;
17. Taking into account the **infrastructural deficit in the countries of Central and Eastern Europe**, the Committee welcomes the idea of setting up a **Connecting Europe Facility**, **however this should not be at the expense of the Cohesion Policy funds disbursements;**
18. The Committee **welcomes the provision for more active participation of social partners, non-governmental sector and civic society** in the elaboration of mechanisms aimed at better absorption of the ESF resources;
19. The Committee supports the changes in the sphere of ESF in view of finding innovative solutions to social issues and needs and laying a **stronger stress on the fight against youth unemployment and providing support to adults, disadvantaged people and marginalized communities;**
20. The Committee **welcomes the provision for strengthening the EURES system** of mobility support in the framework of the EU Programme for Social Change and Innovation (PSCI), as this particular instrument is important for Bulgaria especially in view of **eliminating the restrictions some Member States have imposed on Bulgarian nationals vis-a-vis access to employment in the EU countries.**