



EUROPEAN COMMISSION

Brussels, 16 MAI 2012  
C/2012/ 3163 final

Dear President,

*The Commission would like to thank the Bundesrat for its Opinion on the Communication on proposals for the next Multiannual Financial Framework {COM(2011)398, 500, 510, 511 final} and would like to apologise for the long delay in replying.*

*We take particular note of the Bundesrat's agreement on the fact that these proposals are a good basis for negotiation. The Commission is fully aware of the current climate of austerity and budgetary consolidation in Member States and has presented a credible budget proposal which is both realistic and ambitious. By focusing in particular on those areas where EU funding brings genuine added value, the budget can make a real contribution towards the realisation of the goals of our commonly agreed Europe 2020 strategy.*

*The proposals that were tabled by the Commission on 29 June 2011 and to which you refer have since been supplemented by the adoption, between October and December 2011, of a full range of proposals for sectoral programmes and instruments designed to implement the next financial framework. These proposals provide more extensive information on the Commission's approach in the relevant policy areas, some of which are mentioned in your Opinion.*

*Many of the major challenges ahead -food security, climate change, biodiversity loss, water scarcity, rural depopulation- touch on the issue of agricultural policy. The Commission has proposed to hold CAP resources stable in nominal terms while reforming the policy to make it work better. The Commission's proposals for the CAP after 2013 address these challenges inter alia by proposing more targeted income support and a fairer distribution between farmers, regions and Member States, within the wider objectives of strengthening the competitiveness, sustainability and permanence of agriculture throughout the European Union. A key element of the Commission's approach is the proposed greening of direct payments to enable optimal use of natural resources.*

M. Horst SEEHOFER  
Präsident des Bundesrates  
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*Cohesion policy, like the CAP envelope nominally frozen on the basis of 2013, will continue to make a major contribution to convergence and growth in Member States, which is especially important in the current economic conditions. The Commission has proposed a number of important improvements in cohesion policy including better alignment with the Europe 2020 strategy, a focus on a limited number of priorities, strengthened performance incentives and conditionalities and stronger emphasis on financial engineering and leverage funding. The proposed Common Strategic Framework will provide clear strategic orientations for all EU funds concerned and translate the Europe 2020 objectives into investment priorities.*

*Please be assured that the specific concerns raised by the Bundesrat in the other policy areas have also been duly taken into account by the Commission.*

*I look forward to continuing our political dialogue, particularly on the future financing of the European Union budget.*

*Yours faithfully,*

*Maroš Šefčovič  
Vice-President*