



EUROPEAN COMMISSION

Brussels, 26.7.2013
C(2013) 4679 final

Dear President,

The Commission would like to thank the Senato della Repubblica for its Opinion on the EU Multiannual Financial Framework 2014-2020 {COM(2011) 398_403_500_510_511_512 final} and apologises for the long delay in replying.

The proposals tabled by the Commission on 29 June 2011 have since been supplemented by the adoption by the Commission, between October and December 2011, of the 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.

The Commission welcomes the fact that the Senato della Repubblica considers that the Commission's proposals provided a sound basis for the preparation of the next multiannual financial framework. The concerns expressed by the Senato della Repubblica with regard to the proposed budget size and its plea for a stabilisation of the existing levels or even an increase of the proposed amounts are well noted.

The European Council has, in the meantime, at its meeting on 7-8 February 2013, agreed to limit the maximum expenditure to EUR 959.99 billion in commitments, corresponding to 1.0% of the EU's Gross National Income (GNI). The ceiling for overall payments has been set at EUR 908.40 billion (corresponding to 0.95% of the EU GNI). The Commission welcomes the political agreement reached on 27 June between the Council and the European Parliament on the next multiannual financial framework. It represents a good compromise between the interests and concerns of the Member States and the objectives of the European Parliament.

The agreement sends out an important signal in the current economic context that the institutions of the European Union are able to work together to agree a budget that will help the Union emerge from the crisis.

The agreement reached on flexibility is fundamental in order to make the budget workable and manageable throughout the period between 2014 and 2020.

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The final agreement also shows strong support for priority measures on youth employment, education, research and SMEs through the inclusion of a provision on the frontloading of EUR 2,543 billion in expenditure in these areas in 2014 and 2015 (Youth Employment Initiative, Horizon 2020, Erasmus +, COSME). This will ensure the necessary kick-start in these areas, while respecting the total annual ceilings for the period 2014-2020. It will also respond to the renewed orientations on youth employment, growth, competitiveness and jobs given by European Council.

Furthermore, it has also been agreed to have a compulsory mid-term review of the MFF, to be carried out in 2016 at the latest, following the European Parliament elections. The Commission has confirmed in a draft declaration that it intends to follow this review by submitting legislative proposals for the revision of the MFF.

The agreement on the MFF responds to some of the questions raised in your Opinion, notably as regards the more balanced financing of the EU budget which would reduce the GNI-based contributions in the field of own resources. Council and Parliament have agreed on the establishment of a roadmap to address this important issue, with an undertaking to produce a first assessment at the end of 2014 and to assess progress at political level at least every six months. National Parliaments will have the opportunity to assess the outcome of the work in the context of an inter-parliamentary conference in 2016. Results of this work will be the basis for Commission initiatives in parallel to the review/revision process.

The Commission would like to express its appreciation for the support of the Senato della Repubblica and looks forward to continuing our political dialogue in the future.

Yours faithfully,

*Maroš Šefčovič
Vice-President*