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final

Dear President.

The Commission would like to thank the Senato della Repubblica for its Opinion on the proposal for a Regulation of the European Parliament and of the Council on the European Social Fund and repealing Regulation (EC) No 1081/2006 {COM(2011) 607 final} and would like to apologise for the long delay in replying.

The Commission takes due note of your reservations, in particular regarding the new category of transition regions, but points out that its proposal aims to ensure equal treatment of regions of the same development level.

There are currently two transitional regimes (phasing out and phasing in) for cohesion policy. The main reason for introducing them was the 'statistical effect'. The accession to the Union of Central and Eastern European countries in 2004 and in 2007 lowered the EU's average GDP per capita. This meant that regions where the average GDP per capita was originally below 75% of the EU average suddenly found themselves above it, not because of their development but because of the fall in the average. The transition regimes were designed to avoid an economic shock due to a sudden fall in EU funding. In Italy the transition regime benefits two regions - Basilicata and Sardinia.

The 'statistical effect' will cease to apply in 2013. In the absence of a transitional regime, both Basilicata and Sardinia (with respectively 76.5% and 78.8% of the average EU GDP per capita) and much richer regions such as Inner London (338%) would be treated in the same way and be subject to the same rules. Such a system would be too inflexible because it would create a significant discontinuity in the level of support around the 75% threshold.

The new transition system covering regions with a GDP per capita of between 75% and 90% of the EU average is designed to avoid this situation. It should ensure that cohesion policy is fairer and better suited to meeting the objectives of the Europe 2020 Strategy. The transition regions will receive a higher rate of aid than more developed regions. Higher cofinancing rates of a maximum of 60% will be applicable. Furthermore, a safety net is also introduced for regions eligible under the convergence objective during 2007-13. They will keep at least two thirds of their current allocation and will benefit from special cofinancing rates.

Sen. Renato SCHIFANI Presidente Senato della Repubblica Palazzo Madama IT – 00100 ROMA The definitive assignment of regions to categories is still to be performed, but on the basis of the data currently available, four Italian regions instead of the two at present would be transition regions, namely Basilicata and Sardinia as well as Molise and Abruzzo. Four other regions remain in the less-developed category (Campania, Puglia, Calabria and Sicily).

The ESF seeks to foster European solidarity, which is why assignment to a category is based on GDP per capita at regional level. The overall number of people in a specific region or a given Member State is therefore not relevant for the categorisation.

The Commission hopes that these explanations serve to clarify the concerns raised in the Opinion of the Senato della Repubblica and looks forward to continuing the political dialogue on this very important issue.

Yours faithfully,

Maroš Šefčovič Vice-President