

Italy's Chamber of Deputies - European Union Policies Committee

Proposal for a Regulation of the European Parliament and of the Council laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund covered by the Common Strategic Framework and laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund and repealing Regulation (EC) No 1083/2006 (COM(2011)615 final).

DOCUMENT APPROVED BY THE COMMITTEE

The European Union Policies Committee;

having examined the proposal for a Regulation of the European Parliament and of the Council laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund covered by the Common Strategic Framework and laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund and repealing Regulation (EC) No 1083/2006;

whereas:

a) the soundness of the legal basis of EU draft legislative acts has to be assessed prior to the subsidiarity check to be conducted by national parliaments under Protocol 2 attached to the Treaty on European Union and the Treaty on the Functioning of the European Union. Accordingly, national parliaments may issue reasoned opinions under Article 6 of the above Protocol in the event that the legal basis of a European draft legislative act is deemed to be incorrect or inappropriate in relation to its content and purposes;

b) the legal basis of the proposed Regulation is Article 177 of the Treaty on the Functioning of the European Union (TFEU), whereby the European Parliament and the Council, acting by means of regulations in accordance with the ordinary legislative procedure and consulting the Economic and Social Committee and the Committee of the Regions, shall define the tasks, priority objectives and organization of the Structural Funds, the general rules applicable to the Funds, and the provisions necessary to ensure the effectiveness and coordination of the Funds with one another and with the other existing Financial Instruments;

c) this legal basis is intended to permit the exercise of EU competence as set out in Article 174 of the TFEU, whereby the EU shall develop and pursue its actions leading to the strengthening of its economic, social and territorial cohesion, aiming in particular at reducing the disparities between the levels of development of the various regions and the backwardness of the least favoured regions, with an

emphasis on rural areas, areas affected by industrial transition, and regions which suffer from severe and permanent natural or demographic handicaps such as the northernmost regions with very low population density and island, cross-border and mountain regions;

d) Article 21 of the proposed regulation provides for conditionalities linked to the coordination of the economic policies of Member States, establishing that the Commission may request amendments to the Partnership Contract, where necessary to support the implementation of Council recommendations addressed to Member States within the framework of a procedure for an excessive deficit or excessive macroeconomic imbalances, or to adjustment programmes applicable to Member States benefiting from the assistance granted under the European Stability Mechanism or medium-term financial assistance for balances of payments. If the Member State concerned does not respond to the requests of the Commission or does not respond satisfactorily to its observations, the Commission may adopt, by means of implementing acts, a decision suspending part or all of the payments for the programmes concerned. The Commission may also suspend part or all of the payments or commitments for the programmes concerned in relation to decisions establishing that the Member State has failed to meet its obligations under the procedures for excessive deficits and excessive imbalances or to meet the conditionalities for assistance under the Stability Mechanism;

e) such conditionalities are, therefore, designed primarily to ensure compliance with macroeconomic and public finance criteria established by secondary legislation, based on the provisions of Title VIII of the Treaty on the Functioning of the European Union on economic and monetary policy;

f) the argument advanced by the European Commission in the impact assessment, whereby the conditionalities in Article 21 would help to ensure macroeconomic and financial policies that promote growth with a view to ensuring a more effective and coherent implementation of structural programmes, is deemed to be unfounded;

g) in this respect it is necessary to recall that under Article 175 of the TFEU the Member States shall conduct their economic policies and shall coordinate them in such a way as to attain the objectives of Article 174, which must be taken into account in the formulation and implementation of the Union's policies and actions. In particular, the Union supports the achievement of these objectives by the action it takes through the Structural Funds (European Agricultural Guidance and Guarantee Fund, Guidance Section; European Social Fund; European Regional Development Fund), the European Investment Bank and other existing Financial Instruments. Article 175 also specifies that if specific actions prove necessary outside the Funds and without prejudice to the measures decided upon within the framework of other EU policies, such actions may be adopted by the European Parliament and the Council, acting in accordance with the ordinary legislative

procedure and after consulting the Economic and Social Committee and the Committee of the Regions;

h) the provisions of Article 175 referred to above reaffirm and clarify the scope of the general principle laid down in Article 120 of the TFEU, whereby the Member States shall conduct their economic policies "with a view to contributing to the achievement of the objectives of Union, as defined in Article 3 of the Treaty on European Union", which include promoting economic, social and territorial cohesion;

i) the combined provisions of Articles 175 and 120 of the TFEU make it clear that the Union's economic policy measures must contribute to achieving the development objectives of cohesion policy;

l) Article 177 of the TFEU, even if read in conjunction with Articles 174 and 175, does not justify the establishment of conditionalities, such as those provided for under Article 21 of the proposed Regulation, aimed at making cohesion policy instruments conditional upon the pursuit of objectives that fall outside the scope of such policy;

m) in view of the combined provisions of Articles 120 and 175, the introduction of macroeconomic conditionalities would not be justified even through recourse to legal bases under Title VIII of the TFEU;

n) the proposal complies with the principle of subsidiarity in that its stated goal of reducing the disparities between the levels of development of the various regions of the European Union can not be satisfactorily achieved by the Member States but is best pursued at the Union level. Moreover, the mechanisms envisaged in the proposed regulation, which confirm that the programming and management of the Structural Funds will continue to be agreed among European, national and regional institutions, are in full compliance with the principle of subsidiarity also in functional terms;

RESOLVES TO ISSUE

a reasoned opinion under Article 6 of Protocol 2 attached to the Treaty on European Union and the Treaty on the Functioning of the European Union with regard solely to Article 21 of the proposed regulation.