



EUROPEAN COMMISSION

*Brussels, 26.11.2018
C(2018) 7696 final*

Dear Chair,

The Commission would like to thank the Assembleia da República for its Opinion on 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 Plus, the Cohesion Fund, and the European Maritime and Fisheries Fund and financial rules for those and for the Asylum and Migration Fund, the Internal Security Fund and the Border Management and Visa Instrument {COM(2018) 375}.

On 2 May 2018, the Commission adopted a proposal for the next Multiannual Financial Framework for the period 2021-2027{COM(2018) 322 final}. The Common Provisions Regulation proposal itself forms part of that broader package and offers ambitious measures designed to tackle inequalities in Europe between the different regions in terms of their economic, social and territorial cohesion.

This proposal for a Common Provisions Regulation sets out common provisions for seven shared management funds. The new cohesion policy aims to address main European Union's priorities, such as combatting unemployment and steering economic and social development via competitiveness and convergence. It secures funding for all regions, despite the current difficult budgetary context, which means that all regions in a country like Portugal will be enabled to tackle their different development challenges throughout a priority menu better aligned to the current overall European Union's political agenda.

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Enhancing transparency and abiding by the principles of subsidiarity and proportionality in the decision-making process are priorities for the Commission in general. The principle of subsidiarity in particular is enshrined in the legal basis for the Common Provisions Regulation proposal and forms part of the overall decision making process for shared management of European Union Funds.

Article 317 of the Treaty on the Functioning of the European Union (TFEU) provides that the Commission is to implement the budget in cooperation with the Member States, in accordance with the provisions of the regulations made pursuant to Article 322 TFEU as rightly stated in the Opinion.

Article 322(1)(a) TFEU provides the legal basis for the adoption of regulations establishing the financial rules which determine in particular the procedure to be adopted for establishing and implementing the budget and for presenting and auditing accounts. The principle of subsidiarity does not extend to the financial rules, for which it is clear that only the Union can, or even has to act.

Article 349 TFEU states that specific measures shall be adopted to take account of the structural social and economic situation of the outermost regions, which is compounded by certain specific features that severely restrain their development.

More concretely, compliance with the subsidiarity principle of the individual funds is set out in the explanatory memorandum for each of the fund-specific proposals covered by the proposed Common Provisions Regulation. The latter proposal also respects the subsidiarity principle in particular by promoting shared management, insofar as programmes are not managed directly by the European Commission, but implemented in partnership with the Member States.

Shared management mechanisms that govern cohesion policy have been reinforced in some respects in the proposal, such as future possible greater reliance on national systems for management and control systems when it comes to implementing the funds on the ground.

The Commission has therefore taken due note of the positive opinion expressed by the Assembleia da República. The Commission values the early engagement of Assembleia da República at this stage of the policy making process.

The Commission also welcomes the recognition by the Assembleia da República of the efforts made to substantially reduce the administrative burden for beneficiaries and managing authorities, but also to reinforce flexibility of the programming exercise and to enhance the synergies with EU priorities.

Discussions between the Commission and the co-legislators concerning the proposal for a Common Provisions Regulation are now underway and the Commission remains hopeful that an agreement on the legislative package concerning cohesion policy will be reached in the near future.

Yours faithfully,

*Frans Timmermans
First Vice-President*

*Corina Crețu
Member of the Commission*