FUROPEAN COMMISSION



Brussels, 14.05.2012 C(2012) 3059 final

Dear President,

The Commission would like to thank the Camera Deputatilor for its Opinion on the proposals for the EU's multiannual financial framework 2014-2020 {COM(2011) 398_403_500_510_511_512 final}.

As you know, 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. I would like to take this opportunity to respond to the main points raised in your opinion.

The Camera Deputatilor expresses concern about the proposed budget size and calls for a stabilisation of the existing levels or even an increase of the proposed amounts. 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.

The Commission can only agree that doing less is not an option, because Europe faces challenges that can be addressed most effectively at EU level, such as strengthening EU competitiveness in a global economy, combating climate change and securing safe energy supply sources. The Commission has proposed a framework that will equip the European Union to respond to these and other challenges. 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.

I welcome the support of the Camera Deputatilor for the Commission's increased focus on areas such as infrastructure investment and research and development. In the area of research and innovation, for the first time, the proposal "Horizon 2020" will bring together all EU research and innovation funding under a single programme. It will focus more than ever on turning scientific breakthroughs into innovative products and services that provide business opportunities and change people's lives for the better. At the same time it drastically cuts red tape, with

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simplification of rules and procedures to attract more top researchers and a broader range of innovative businesses.

The Commission takes note of your concerns regarding the levels of proposed expenditure for the Common Agricultural Policy and cohesion policy. 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.

Cohesion policy 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.

On the financing side of the budget, there is a pressing need to re-align EU financing with the principles of autonomy, transparency and fairness and to ensure that the EU is able to achieve its policy objectives. The Commission proposals aim to change the mix of resources that finance the EU budget through a gradual return to genuine 'own resources' in the form of a Financial Transaction Tax and new VAT resource. The Commission believes that the new proposal would ensure a fair distribution of impact across Member States and would reduce the pressure on national contributions.

Finally, I would like to express my appreciation for the attention given to the Commission proposals by the Camera Deputation. It is essential that national parliaments be fully involved in the process of determining the European Union's future financial framework and the priorities that it should support.

The Commission looks forward to continuing the political dialogue with the Camera Deputatilor.

Yours faithfully,