



Parlamentul României
Senat

Bucharest, 30th November 2011
Courtesy translation

OPINION

**of the ROMANIAN SENATE, 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, 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**

The Senate of Romania has checked the compliance with the subsidiarity and proportionality principles of 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 – COM (2011)615 final**, according to the provisions of the Treaty of Lisbon (Protocol no.2).

Taking into account the report of the Committee on European Affairs, **the Plenum of the Senate**, during its session of the 29th November 2011, has found that the examined proposal, elaborated according to article 177 of the Treaty on the Functioning of the European Union is in compliance with the principle of subsidiarity and the principle of proportionality as defined by article 5 of the Treaty on the European Union. Nevertheless, following the analysis of the content of the proposal and in the perspective of the negotiations to come, the Senate underlines the following issues:

Common Strategic Framework

a) Considers that the adoption of the Common Strategic Framework should be done with the involvement of the EU Council and European Parliament and not by delegated acts of the European Commission;

Partnership Contract

- b) Considers that within the Partnership Contract should be introduced also a reference to the national and regional needs;
- c) Appreciates that the transmission delay by the Member State of the Partnership Contract, 3 months following the adoption of the Common Strategic Framework, is too short;
- d) Proposes that the provisions related to the unilateral modification by the European Commission of the Partnership Contract and programmes where the Member State benefits from assistance by a mechanism of financial assistance and to the direct participation of the European Commission in the joint management of the programmes in order to ensure the effective implementation of their amendments, which are found in the macroeconomic conditionalities, be re-analyzed, so there are no deficiencies in respecting the principle of subsidiarity;

Conditionalities

- e) There is useful to develop a "roadmap", with precise targets and timetables, that allows to ensure the ex-ante preconditions or to achieve their advanced stage, in order to not endanger the approval and implementation of future programmes;
- f) Considers as necessary to include, in the text of the regulation, a provision which shows that once agreed, the ex-ante conditionalities can not longer be changed or added new conditionalities during the implementation of the programme;
- g) Considers that the types of conditionalities must be re-analyzed, except for the provisions that aim at the temporary increase of the co-financing rates;
- h) Considers as necessary to re-analyze the concept of punishing the Cohesion Policy by macroeconomic conditionalities or "punitive" ex post conditionalities, considering that the rules on automatic decommitment and performance reserve provide sufficient levers so that the objectives of the funds and programmes be properly implemented; to ensure the budgetary discipline there are other control instruments;

Performance reserve

- i) Considers that, like in the current programming period, setting the performance reserve should be optional for each Member State;

Financial support from funds – co-financing

- j) Considers that the rates should continue to be set at programme level and not at priority axis level, as provided by the current proposal;
- k) Considers that the proposed approach would limit the access to financing of certain categories of beneficiaries who do not have the necessary resources to ensure such a large co-financing, for instance within the programme aiming at the development of human resources there are currently axes for which the co-financing from the beneficiaries is only 2%;
- l) Considers as a positive and necessary measure, the possibility of increasing the European co-financing rate by 10 percentage, thus facilitating the continuation of projects aiming at stimulate growth and recovery and support Member States facing liquidity problems and budgetary constraints;

Financial management

- m) Considers that should be reintroduced the current provisions related to the reduction of amounts potentially subject to automatic decommitment as regard the major projects and aid schemes approved;
- n) Considers as more viable the application of the n+3 rule for the whole programming period 2014-2020, given the difficulties still to be experienced, following the effects of the economic and financial crisis, both at Member States and beneficiaries level;

Delegation of powers

o) Considers as necessary to reformulate the provisions in terms of limiting the powers conferred to the European Commission, for a period of 5 years. In addition, it is very important that these powers be conferred only to amend the non-essential aspects of the Regulation. Therefore, it is required a careful analysis of delegated acts proposed by the European Commission, to determine which are the aspects that can be regulated by delegated acts;

Global resources of Cohesion Policy

p) Considers that the proposal to limit the budget for cohesion policy at 2.5% of GDP, compared with 3.8% of GDP in the current programming period, is not at present a decision in favor of regions and Member States facing important development gaps;

q) Considers that it should take account of the establishment of a specific funding regime for the capital-regions which in the next programming period will not longer fit under the Convergence objective, given the role of these regions as driver of growth at national level;

European territorial cooperation

r) Considers that the reduction of co-financing rate for the territorial cooperation programmes at 75% would significantly diminish the attractiveness of these programmes, therefore proposing the establishment of the co-financing rate at the level of each territorial cooperation programme, depending on the rate applicable to the regions that are part of the eligible area;

Allocation of funds

s) Considers that the proposal to create a separate category "transition regions" and the mode of determining the financial envelope for this category reduce significantly the financial resources available for the less developed regions with GDP / *capita* less than 75% of the EU average;

§) Considers as appropriate the possibility to increase the allocation for the less developed regions.

**PRESIDENT OF THE SENATE
VASILE BLAGA**

