



Romanian Parliament
Senate

Bucharest, October 10, 2018

Courtesy translation

**OPINION
of the Senate**

regarding

**the Proposal for a Regulation of the European Parliament and of the Council on the
European Regional Development Fund and on the Cohesion Fund
COM (2018) 372 final**

The Romanian Senate examined the Proposal for a Regulation of the European Parliament and of the Council on the European Regional Development Fund and on the Cohesion Fund – COM (2018) 372 final - according to the provisions of the Treaty of Lisbon (Protocol no. 2).

Taking into account the report of September 26, 2018 of the permanent Committee for European Affairs, **the Plenum of the Senate**, during its session of October 10, 2018, ascertains as follows:

1. Considers that this proposal respects the principle of subsidiarity.
2. Considers that this proposal respects the principle of proportionality in terms of the chosen legal form, but it is inappropriate in terms of content.
3. Notes the need to clarify, with regard to infrastructure investments, the fact that there is a generic provision in this proposal, whereas Regulation 1301/2013 specifies the types of infrastructures in which investments can be made.

Also, although both of the funds are to finance technical assistance measures, it is not clear how interventions will be funded to increase the institutional capacity of institutions, beneficiaries and other stakeholders.

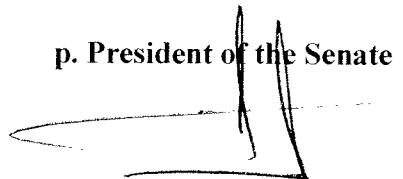
4. Notes with concern a decrease in allocations for objectives through which basic infrastructure is funded. At present, in less developed regions, at least 50% of the total ERDF resources at national level are allocated to two or more of the thematic objectives on research / innovation, ICT, SMEs and the transition to a low-carbon economy, at least 12% of the total ERDF resources at national level being allocated to the thematic objective on the low carbon economy. Also, the percentage pre-allocated to climate change has increased by 5% overall and specific percentages for ERDF and CF have been proposed (30% and 37% respectively). All this, however, leads to limitations in infrastructure investments,

particularly in road infrastructure, ICT, water/waste water, waste not contributing to the climate change target.

5. Draws attention to the need for a decentralized territorial approach giving greater flexibility in setting the areas funded at national and regional level, taking into account the specific needs identified. Appreciates that an inflexible orientation made by pre-allocations imposed by European regulations risks leading to deepening development disparities and creating additional imbalances, including questioning investments made so far and needing continuity to achieve their objectives.
6. Emphasizes that, in the new proposed framework, the cohesion policy raises concerns in terms of new thematic concentration provisions, the N + 2 rule, co-financing, pre-financing, VAT, etc. All this may lead to the perception that the cohesion policy is less adapted to regional needs and could therefore be considered less attractive to beneficiaries because of the proposed co-financing rate and non-deductible VAT, which in fact means a considerably higher level of national co-financing.

The new conditions proposed for implementation can lead to a reduced use of cohesion policy funds, especially in less developed regions and in Member States with increased investments need, thus delaying the convergence process. In addition, the amount transferred to the Cohesion Fund for the Connecting Europe Facility should reflect the overall share of cohesion policy funds in the new MFF, which is significantly reduced in real terms.

p. President of the Senate

A handwritten signature in black ink, consisting of a large, stylized 'A' followed by 'drian Țuțuianu'.

Adrian ȚUȚUIANU