



EUROPEAN COMMISSION

*Brussels, 16.10.2018
C(2018) 6706 final*

Dear Presidents,

The Commission would like to thank the Cortes Generales for their Opinion on the Commission's 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 of 29 May 2018 {COM(2018) 375 final}.

On 2 May 2018, the Commission adopted a proposal for the next multi-annual financial framework for the period 2021-2027 {COM(2018) 322 final}. The Common Provisions Regulation proposal {COM(2018) 375 final} 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 whose common rules are outlined in the above-mentioned legislative proposal 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 Spain 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 proportionality and subsidiarity in the decision-making process are priorities for the Commission. 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 Funds.

Article 317 of the Treaty on the Functioning of the European Union 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 of the Treaty on the Functioning of the European Union as rightly stated in the Opinion of the Cortes Generales.

Article 322(1)(a) of the Treaty on the Functioning of the European Union 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 of the Treaty on the Functioning of the European Union, also mentioned in the Opinion, states that specific measures indeed shall be adopted to take account of the structural social and economic situation of the outermost regions, which is compounded by certain specific features which 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 for a Common Provisions Regulation such as possible greater reliance on national systems for management and control systems in the future when it comes to implementing the funds on the ground.

The Commission has therefore taken due note of the positive opinion expressed by the Cortes Generales. The Commission also values the Cortes Generales early engagement at this stage of the policy making process.

Discussions between the Commission and the co-legislators concerning the proposals for a Common Provisions Regulation and the related fund-specific regulations 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,

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Member of the Commission*