

The Chair  
Committee on Regional Development

The Chair  
Committee on Economic and Monetary Affairs

D 202559 05.10.2016

Mr Martin Schulz  
President  
European Parliament  
Rue Wiertz  
1047 Brussels

Dear President,

On 27 September, you wrote to President Juncker inviting the Commission to attend and speak at a joint meeting of the Committee on Regional Development (REGI) and Committee on Economic and Monetary Affairs (ECON), as part of the structured dialogue about a possible suspension of ESI Funds for Spain and Portugal.

On 3 October, the REGI and ECON Members met with Commission Vice-President Jyrki Katainen and Commissioner Corina Crețu. Representatives from BUDG, EMPL, AGRI and PECH participated in this hearing in the framework of the structured dialogue foreseen by Article 23(15) of Regulation 1303/2013. This was the first step in the structured dialogue procedure, the format of which had been approved by the Conference of Presidents on 15 September.

In the course of the hearing, a large number of Members, including the representatives of BUDG, EMPL, AGRI and PECH committees, opposed the suspension of ESI funds while some others stressed the importance to apply the legal framework. The Commission underlined its legal obligation to come forward with a proposal to suspend part of ESI funds, while conceding that the legislation did not foresee any deadline for this.

Some Members stressed that the absence in the legislation of a minimum percentage of suspension might allow the Commission to propose to the Council suspensions of commitments amounting to zero. However, the Commission, while not denying that such a possibility existed, considered that this would contradict the "spirit" of the Regulation.

The REGI and ECON coordinators and bureaux met immediately after the hearing in order to agree on their recommendations to the Conference of Presidents concerning the next steps in the structured dialogue procedure.

Coordinators representing a large majority of Members welcomed the positive and constructive spirit of the meeting and thanked the Commissioners for their positive engagement with the Parliament. At the same time, it was felt that the Commission had not provided enough details on the intended concrete application of Article 23 of the Regulation, in particular relating to the

timing, the scope, the level and the impact of the planned suspension proposal. The Commission underlined its intention not to affect adversely the investment capacity and the economic and social conditions in the two Member States, but Members felt that the Commissioners had not provided sufficient detail to support this claim.

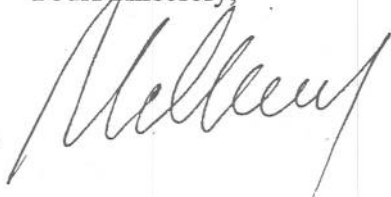
They noted with approval the expectation expressed by Vice-President Katainen that the Draft Budgetary Plans (DBPs) due by 15 October would make any suspension of ESI funds unnecessary. Taking into account the impact that a proposal of suspension might have in the two Member States and across the Union, coordinators representing a large majority of Members considered it more appropriate to await the presentation of DBPs and assessment of these before making the proposal to the Council foreseen in Article 23(9) of the Regulation. Some coordinators underlined the Commission's legal obligation to make a proposal.

In conclusion, we recommend to the Conference of Presidents to continue the structured dialogue in the same format (REGI-ECON joint meetings):

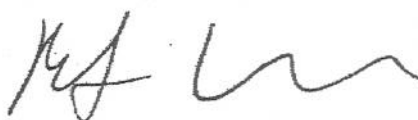
- Finance ministers of the two Member States should be offered the opportunity to come to the Parliament for an exchange of views before the end of October (other relevant ministers could be considered to be invited if the finance ministers are not available); In case the governments do not reply positively to the invitation, the structured dialogue would not be suspended or stopped;
- subsequently, the Commission would be invited to give additional information on the implementation of Article 23, and we will consider whether to recommend to hold another meeting;
- finally, we would report back again to the Conference of Presidents.

May we invite you to submit this proposal to the Conference of Presidents?

Yours sincerely,



Iskra Mihaylova  
REGI Chair



Roberto Gualtieri  
ECON Chair

Copy: Mr Jerzy Buzek, Chair of Conference of Committee Chairs  
Mr Czeslaw Adam Siekierski, Chair of AGRI Committee  
Mr Jean Arthuis, Chair of BUDG Committee  
Mr Thomas Händel, Chair of EMPL Committee  
Mr Alain Cadec, Chair of PECH Committee