

Cohesion Fund 2014-2020

2011/0274(COD) - 06/10/2011 - Legislative proposal

PURPOSE: to define the next framework for cohesion policy for the period 2014-2020 (Cohesion Fund Regulation).

PROPOSED ACT: Regulation of the European Parliament and of the Council.

BACKGROUND: in its [proposal for the next multi-annual financial framework for the period 2014-2020](#), the Commission decided that cohesion policy should remain an essential element of the next financial package and underlined its pivotal role in delivering the Europe 2020 strategy. It proposed a number of important changes to the way cohesion policy is designed and implemented. Concentrating funding on a smaller number of priorities better linked to the Europe 2020 Strategy, focusing on results, monitoring progress towards agreed objectives, increasing the use of conditionalities and simplifying the delivery are among the major hallmarks of the proposal

This proposal is part of a package of legislative measures relating to the **Cohesion policy 2014-2020**. This package includes:

- an [overarching regulation](#) setting out common rules governing the European Regional Development Fund (ERDF), the European Social Fund (ESF), the Cohesion Fund, the European Agricultural Fund for Rural Development (EAFRD) and the European Maritime and Fisheries Fund (EMFF). This will allow for the better combination of funds for a stronger impact of EU action;
- three specific regulations for the [ERDF](#), the [ESF](#) and the [Cohesion Fund](#);
- two regulations dealing with the [European territorial cooperation](#) goal and the European grouping of territorial cooperation ([EGTC](#));
- two regulations on the European Globalisation Fund ([EGF](#)) and the [Programme for Social Change and Innovation](#);
- a communication on the European Union Solidarity Fund ([EUSF](#)).

The Cohesion Fund helps Member States whose GNI per inhabitant is less than 90% of the EU27 average in making investments in TEN-T transport networks and the environment. Part of the Cohesion Fund allocation (EUR 10 billion) will be ring-fenced to finance core transport networks under the "Connecting Europe" Facility. The Cohesion Fund can also support projects related to energy, as long as they clearly present a benefit to the environment, for example by promoting energy efficiency and the use of renewable energy.

IMPACT ASSESSMENT: options were assessed in particular in relation to the Cohesion Fund contribution to investing in basic infrastructure in transport and environment. **Various ways of making funding conditional on a sound macro-fiscal framework were assessed**, including: (i) the status quo, with a weak ex-post conditionality which has never been applied; (ii) a strengthened ex post conditionality; (iii) ex ante conditionality, which would require the fulfilment of preconditions before the adoption of the programmes.

An evolution of the current system best fulfils the criteria of ownership, transparency and predictability, while at the same time ensuring that the effectiveness of growth-enhancing investments is not undermined by the pursuit of unsound fiscal policies. Such a procedure implies suspension of part or all of commitments in the case of repeated breaches.

LEGAL BASIS: Article 177 of the Treaty on the Functioning of the European Union (TFEU).

CONTENT: the proposed Regulation determines the scope of intervention of the Cohesion Fund. It includes an article on scope defining the general areas for intervention within the area of transport and environment. The scope of intervention is also defined by a negative list of activities which will not be eligible for support, and a list of investment priorities.

Environment: the Cohesion Fund will support investment in climate change adaptation and risk prevention, investment in the water and waste sectors and the urban environment.

Energy: investment in energy is also eligible for support, provided it has positive environmental benefits. Therefore investment in energy efficiency and renewable energy are also supported.

Transport: the Cohesion Fund will contribute to investments in the Trans-European Transport Network, as well as low-carbon transport systems and urban transport.

BUDGETARY IMPLICATION: the Commission's proposal for a Multiannual Financial Framework includes **EUR 376 billion** for cohesion policy for the period 2014-2020. The proposed budget (in billion euros) is broken down as follows:

- Less developed regions EUR 162.6
- Transition regions: EUR 38.9
- More developed regions: EUR 53.1
- Territorial cooperation: EUR 11.7
- Cohesion fund: EUR 68.7
- Extra allocation for outermost and sparsely populated regions: EUR 0.926.
- Facility for transport, energy and ICT: EUR 40 billion (with an additional EUR 10 billion ring-fenced inside the Cohesion Fund).