

# **Common provisions on European Regional Development Fund, European Social Fund Plus, Cohesion Fund, and European Maritime and Fisheries Fund and financial rules for those and for Asylum and Migration Fund, Internal Security Fund and Border Management and Visa Instrument 2021–2027**

2018/0196(COD) - 29/01/2019 - Committee report tabled for plenary, 1st reading/single reading

The Committee on Regional Development adopted the joint report by Constanze KREHL (S&D, DE) and Andrey NOVAKOV (EPP, BG) 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 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.

The report noted that it is important for the future of the European Union and its citizens that cohesion policy remains the main investment policy of the Union, keeping its funding in the 2021-2027 period at least at the level of the 2014-2020 programming period. New funding for other areas of activity or programmes of the Union should not be to the detriment of the European Regional Development Fund, the European Social Fund Plus or the Cohesion Fund.

The committee recommended that the European Parliament's position adopted at first reading under the ordinary legislative procedure should amend the Commission's proposal as follows.

## ***Subject-matter and scope***

This Regulation lays down financial rules for the European Regional Development Fund ('**ERDF**'), the European Social Fund Plus ('**ESF+**'), the Cohesion Fund, the European Agricultural Fund for Rural Development (**EARDF**), the European Maritime and Fisheries Fund ('**EMFF**'), the Asylum and Migration Fund ('**AMIF**'), the Internal Security Fund ('**ISF**') and the Border Management and Visa Instrument ('**BMVI**').

Members sought to reintegrate the EAFRD into the common provisions Regulation in order to prevent strategic gaps and coordination issues for local investment.

Member States and the Commission are urged to ensure compliance with relevant State aid rules.

## ***Partnerships***

For the Partnership Agreement and each programme, each Member State shall, in accordance with its institutional and legal framework, organise a fully -fledged, effective partnership. That partnership shall include at least the following partners:

- regional, local, urban and other public authorities;
- relevant bodies representing civil society, such as environmental partners, non-governmental organisations, and bodies responsible for promoting social inclusion, fundamental rights, rights of persons with disabilities, gender equality and non-discrimination;
- research institutions and universities.

In accordance with the multi-level governance principle and following a bottom-up approach, the Member State shall involve those partners in the preparation of Partnership Agreements and throughout the preparation, implementation and evaluation of programmes including through participation in monitoring committees. In that context, Member States shall allocate an appropriate percentage of the resources coming from the Funds for the administrative capacity building of social partners and civil society organisations.

The Member State shall submit the Partnership Agreement to the Commission before or at the same time as the submission of the first programme, but not later than 30 April 2021.

### *New horizontal principles*

Members proposed adding new horizontal principles to ensure the respect for fundamental rights, gender equality, persons with disabilities, environmental protection, etc. They shall aim at avoiding investments related to production, processing, distribution, storage or combustion of fossil fuels.

### *Major projects*

Major projects represent a substantial share of Union spending. More specifically, as part of a programme or programmes, the ERDF and the Cohesion Fund may support an operation comprising a series of works, activities or services intended in itself to accomplish an indivisible task of a precise economic or technical nature which has clearly identified goals and for which the total eligible cost exceeds EUR 100 billion (major project). Financial instruments shall not be considered to be major projects.

To ensure clarity, it is appropriate to define the content of a major project application for such a purpose. The application should contain the necessary information to provide assurance that the financial contribution from the Funds does not result in a substantial loss of jobs in existing locations within the Union. The Member State should submit all required information and the Commission should appraise the major project to determine whether the requested financial contribution is justified.

### *Funding*

The resources for economic, social and territorial cohesion available for budgetary commitment for the period 2021-2027 shall be **EUR 378.1 billion in 2018 prices** (14 % more than the Commission's proposal of EUR 330.6 billion).

The minimum overall allocation from the Funds, at national level, should be equal to 76% of the budget allocated to each Member State or region over the 2014-2020 period.

Resources for the Investment for jobs and growth goal shall amount to 97 % of the global resources, i.e., a total of EUR 367 billion (in 2018 prices). Out of this amount, EUR 5.9 billion shall be allocated to the Child Guarantee from the resources under the ESF+.

Less developed regions will keep benefiting from substantial EU support, with co-financing rates of up to 85% (instead of 70 % as proposed by the Commission) and an overall envelope of 61.6 % of the Regional Development, Social and Cohesion funds.

The co-financing rate for transition and more developed regions has also been increased, to 65% and 50%, respectively. EUR 1.6 billion (0.4%) should be set aside as additional funding for the outermost regions.

Resources for cross-border projects under Interreg, the European Regional Development Fund, shall amount to EUR 11.3 billion in 2018 prices, 3% (instead of the 2.5% proposed by the Commission) of the global cohesion resources.

Members agreed that the Social Fund may, in duly justified cases, provide for co-financing rates of up to 90 %, for priorities supporting innovative actions.