

European Regional Development Fund (ERDF) and Cohesion Fund 2021–2027

2018/0197(COD) - 27/03/2019 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted by 475 votes to 93, with 53 abstentions, a legislative resolution on the proposal for a regulation of the European Parliament and of the Council on the European Regional Development Fund and on the Cohesion Fund.

The European Parliament's position adopted at first reading under the ordinary legislative procedure amended the Commission's proposal as follows.

Tasks of the ERDF and the Cohesion Fund

The ERDF and the Cohesion Fund shall contribute to the overall objective of strengthening the Union's economic, social and territorial cohesion by redressing the main regional imbalances in the Union through citizens oriented approach aimed at supporting community led development and fostering active citizenship:

- the ERDF shall contribute to reducing disparities between the levels of development of the various regions within the Union, and to reducing the backwardness of the least favoured regions including environmental challenges, through sustainable development and structural adjustment of regional economies;
- the Cohesion Fund shall contribute to projects in the field of trans-European networks and environment.

Specific objectives of the ERDF and the Cohesion Fund

The proposal divides these objectives into five main areas: a Europe that is smarter, greener, more connected, more social and closer to citizens which in turn are divided into twenty-one areas of intervention.

Parliament proposed to strengthen the possibility of taking action in the following sectors: digital connectivity and more efficient public administration; equitable transition and circular economy; social innovation; natural heritage, enhancement of protected natural spaces and sustainable tourism; zero emission urban mobility; environmentally friendly public transport networks; long-term socio-economic integration of refugees and migrants under international protection; support for capacity building of authorities responsible for the implementation of the funds.

ERDF operations shall contribute at least 35% of the overall ERDF financial envelope to the achievement of climate objectives (40% of the Cohesion Fund financial envelope).

The meaningful participation of regional and local authorities, civil society organisations, including beneficiaries, in all stages of the preparation, implementation, monitoring and evaluation of ERDF programmes shall be ensured.

Criteria for thematic concentration of objectives

Members propose to restore the thematic concentration at the level of categories of regions classified according to their gross domestic product and not, as the Commission proposes, at the level of Member

States classified according to their gross national income. They also believe that PO 2 (a greener Europe) should also be extended to the group of the most developed regions.

The draft legislative act specifies that regions shall spend at least 30 to 50% of the funding received for an intelligent and innovative Europe, and at least 30% for the fight against climate change and for the circular economy.

To ensure an appropriate and real margin of flexibility, Member States may, in justified cases, request additional flexibility from the percentage allocated to PO 1 (up to 5 percentage points, and up to 10 percentage points for outermost regions) at regional category level, once again with a view to better meeting the requirements of citizens and the economy.

Scope of the ERDF and Cohesion Fund

The ERDF shall support investments that help to preserve existing and create new jobs in SMEs and any support for SMEs in the form of grants and financial instruments. The Cohesion Fund shall support the improvement and development of the skills and administrative competences of local authorities necessary for the management of the funds.

Sectors excluded from ERDF assistance

The following shall be excluded from support:

- investments in new regional airport infrastructure, except for investments in the outermost regions, interventions relating to core TEN-T network and investments related to environmental protection;
- investments in waste disposal by landfilling, with the exception of the outermost regions and measures to decommission, reconvert or make safe existing facilities;
- investments in facilities for the treatment of residual waste, with the exception of the outermost regions and in the case of state-of-the-art recycling solutions in accordance with the principles of the circular economy and the waste hierarchy. Residual waste shall be understood as primarily non separately collected municipal waste and rejects from waste treatment.

Non-urban areas

Members propose allocating a minimum reserve (at least 5% of ERDF resources) to support and develop non-urban areas that are disadvantaged or suffer from natural, geographical or demographic handicaps. Of this amount, at least 17.5% would be allocated to rural areas and communities.

Sustainable urban development

Parliament proposed that at least 10% of ERDF resources allocated at national level under the Investment for Jobs and Growth objective (as opposed to 6% proposed by the Commission) should be allocated to sustainable urban development, in the form of a specific programme, a specific priority axis, community-led local development, integrated territorial investments or other territorial tools. Members reintroduced the possibility of integrated interventions co-financed under the ERDF/Cohesion Fund and the ESF+.