European Fund for Regional Development and Cohesion Fund 2028–2034

2025/0238(COD) - 16/07/2025 - Legislative proposal

PURPOSE: to establish the European Fund for Regional Development including for European Territorial Cooperation (Interreg) and the Cohesion Fund as part of the Fund set out in the Regulation establishing the National and Regional Partnership Plans (NRP) and establishing conditions for the implementation of the Union support to regional development from 2028 to 2034.

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

ROLE OF THE EUROPEAN PARLIAMENT: the European Parliament decides in accordance with the ordinary legislative procedure and on an equal footing with the Council.

BACKGROUND: on 16 July 2025, the Commission adopted a proposal for the next Multiannual Financial Framework 2028-2034 (MFF) for the period 2028-2034. This proposal concerns in particular the European Regional Development Fund (ERDF) and the Cohesion Fund.

The **ERDF** contributes to reducing disparities between the levels of development of the various regions and the backwardness of the least-favoured regions, among which particular attention is to be paid to regions which suffer from severe and permanent natural or demographic handicaps, including in particular handicaps resulting from demographic decline, such as the northernmost regions with very low population density, islands, and cross-border and mountain regions.

The **Cohesion Fund** was established to contribute to the overall objective of strengthening the economic, social and territorial cohesion of the Union by providing financial contributions in the fields of the environment and trans-European networks in the field of transport infrastructure (TEN-T).

While regional and territorial disparities have been substantially reduced, including by EU cohesion policies, 29% of EU citizens still live in regions with a GDP per capita below 75% and many challenges persist and new ones emerge. These challenges need to be addressed through a strengthened, modernised cohesion and growth policy, working in partnership with national, regional and local authorities. A simpler, more focused and more impactful budget has been defined as a key objective.

Union support from the ERDF and the Cohesion Fund must be provided under the National and Regional Partnership Fund, in accordance with the rules governing that Fund and laid down in the Regulation establishing the National and Regional Partnership Fund (NRP Regulation) for the period 2028-2034.

CONTENT: the proposed regulation lays down general provisions on the **scope of ERDF support, including for European territorial cooperation (Interreg), and the Cohesion Fund for the period 2028-2034**. It aims to strengthen economic, social and territorial cohesion by addressing the main regional imbalances in the Union.

Under the proposal, Member States will have to:

- pay particular attention to the challenges faced by **disadvantaged regions and areas**, in particular rural areas, areas affected by industrial transition, regions suffering from severe and permanent natural or

demographic handicaps, such as the northernmost regions with very low population density and island regions, cross-border and mountainous regions, as well as just transition zones and border regions of Russia, Belarus and Ukraine;

- support **integrated urban development strategies** focused on sustainable development and addressing environmental, energy and climate challenges, with particular attention to housing, poverty, cultural heritage and the potential of digital technologies for innovation and energy efficiency.

Measures will be established in national and regional partnership plans to cover structural support for the economic, social and territorial development of the **outermost regions.**

The proposal also lays down rules for **Interreg** to promote cooperation between Member States and their regions within the Union and between Member States, their regions and non-Member States or regional integration and cooperation organisations in the framework of an Interreg plan.