Amending ERDF, Cohesion Fund and Just Transition Fund as regards specific measures to address strategic challenges in the context of the mid-term review

2025/0084(COD) - 10/09/2025 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted by 440 votes to 168, with 52 abstentions, a legislative resolution on the proposal for a regulation of the European Parliament and of the Council amending Regulations (EU) 2021/1058 and (EU) 2021/1056 as regards specific measures to address strategic challenges in the context of the mid-term review.

The European Parliament adopted its position at first reading by amending the Commission's proposal as follows.

Specific objectives for the ERDF

The amended text specifies that the ERDF should support the achievement of the strategic objectives (SO):

- enhance **industrial capacities** to foster defence capabilities, prioritising capabilities of a dual-use nature;

- promote secure access to **water**, sustainable water management, including integrated water management, and water resilience;

- promote access to **affordable and sustainable housing**;

- promote **energy interconnections** and related transmission, distribution, storage and support infrastructure, as well as the protection of critical energy infrastructure and the deployment of recharging infrastructure;

- develop resilient **defence infrastructure**, prioritising dual-use infrastructure, including for military mobility within the Union, and enhancing civilian preparedness.

Where a programme amendment is submitted to the Commission by 31 December 2025, the Commission will pay **20 %** of the allocation to such dedicated priorities as set out in the decision approving the programme amendment as exceptional one-off pre-financing in addition to the yearly pre-financing for the programme. Where such dedicated priorities have been included in a programme amendment submitted to the Commission by 31 March 2025, the Commission shall pay exceptional one-off pre-financing of 30 % of the allocation to those priorities as set out in the decision approving the programme amendment.

By way of derogation, the maximum co-financing rate for specific priorities will be **increased by 10 percentage points** above the co-financing rate applicable, not exceeding 100 %.

Thematic concentration

Where a Member State complies with the thematic concentration requirements at the level of category of regions, amounts programmed for the specific objectives which exceed the thresholds for thematic concentration for a category of region, may be counted towards the thematic concentration thresholds in other categories of regions within the same policy objective.

Additional support for eastern border regions

In 2026, the Commission will pay **1.5 %** of the total support from the ERDF, the Cohesion Fund and the Just Transition Fund (JTF), pursuant to the decision approving the programme amendment, as additional one-off pre-financing. That additional one-off pre-financing percentage shall be increased to **9.5 %** for programmes under the Investment for jobs and growth goal covering one or more NUTS level 2 regions bordering Russia, Belarus or Ukraine, provided that the programme does not cover the entire territory of the Member State concerned.

Financing of productive investments

To ensure cohesion policy maintains its focus on **small and medium-sized enterprises and less favoured regions**, the technology, defence and decarbonisation investments of large companies can only be supported in EU areas with lower-than-average gross domestic product per capita, and the focus of investments will remain on small and medium-sized enterprises.

At the same time, so-called “Important Project of Common European Interest” can receive funding without regional income limitations.

Limitations

The regulation also specifies that funds frozen under the Rule of Law **Conditionality Regulation** cannot be reallocated to new priorities.