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) - 19/09/2025 - Final act

PURPOSE: to redirect investments towards critical priorities in the context of the mid-term review of EU cohesion policy.

LEGISLATIVE ACT: Regulation (EU) 2025/1914 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.

CONTENT: in the context of the mid-term review of EU's cohesion policy, this Regulation makes amendments to the regulations concerning the European Regional Development Fund (ERDF) and the Cohesion Fund, as well as the Just Transition Fund (JTF).

Aligning investments with new priorities

This regulation includes **targeted amendments to the regulatory framework of the cohesion policy funds** to align investment priorities with the evolving economic, societal and geopolitical context, as well as with the EU's climate and environment objectives.

Their main objective is to align cohesion policy investments to new priorities, notably defence and security, competitiveness and decarbonisation, affordable housing, access to water, sustainable water management and water resilience, energy transition and challenges facing Eastern border regions.

Incentives and flexibility

The new regulation introduces greater **flexibility and incentives** to facilitate the rapid deployment of existing resources and accelerate the implementation of the programmes.

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 will 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 rates for dedicated priorities will be increased by **10 percentage points** above the co-financing rate applicable, not exceeding 100 %.

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 will 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.

Small and medium-sized enterprises and disadvantaged regions

Investments by large companies in technology, defence and decarbonisation can only be supported in EU regions with a gross domestic product per capita **below the EU-27 average**, and investments will remain focused 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.

ENTRY INTO FORCE: 20.9.2025.