

Basic information	
2011/0275(COD) COD - Ordinary legislative procedure (ex-codecision procedure) Regulation	Procedure completed
European Regional Development Fund (ERDF): support to the Investment for growth and jobs goal, 2014-2020	
Repealing Regulation EC) No 1080/2006 2004/0167(COD) Amended by 2016/0282A(COD) Amended by 2020/0043(COD) Amended by 2020/0054(COD)	
Subject 4.70.07 European Regional Development Fund (ERDF)	

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	REGI Regional Development	OLBRYCHT Jan (PPE)	21/06/2011
		Shadow rapporteur WESTPHAL Kerstin (S&D) PAKARINEN Riikka (ALDE) DELLI Karima (Verts/ALE) VLASÁK Oldřich (ECR) ERNST Cornelia (GUE/NGL)	
European Parliament	Committee for opinion	Rapporteur for opinion	Appointed
	BUDG Budgets	COZZOLINO Andrea (S&D)	06/02/2012
	EMPL Employment and Social Affairs	The committee decided not to give an opinion.	
	ENVI Environment, Public Health and Food Safety	PIRILLO Mario (S&D)	08/11/2011
	ITRE Industry, Research and Energy	TOIA Patrizia (S&D)	15/11/2011
	TRAN Transport and Tourism	CRAMER Michael (Verts/ALE)	25/11/2011

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	European Committee of the Regions																		

Key events			
Date	Event	Reference	Summary
06/10/2011	Legislative proposal published	COM(2011)0614 	Summary
25/10/2011	Committee referral announced in Parliament, 1st reading		
16/10/2012	Debate in Council		
07/03/2013	Debate in Council		
10/07/2013	Vote in committee, 1st reading		
17/07/2013	Committee report tabled for plenary, 1st reading	A7-0268/2013	Summary
30/09/2013	Debate in Council		Summary
19/11/2013	Debate in Parliament		
20/11/2013	Decision by Parliament, 1st reading	T7-0484/2013	Summary
20/11/2013	Results of vote in Parliament		
16/12/2013	Act adopted by Council after Parliament's 1st reading		
16/12/2013	End of procedure in Parliament		
17/12/2013	Final act signed		
20/12/2013	Final act published in Official Journal		

Technical information	
Procedure reference	2011/0275(COD)
Procedure type	COD - Ordinary legislative procedure (ex-codecision procedure)
Procedure subtype	Legislation
Legislative instrument	Regulation
Amendments and repeals	Repealing Regulation EC) No 1080/2006 2004/0167(COD) Amended by 2016/0282A(COD) Amended by 2020/0043(COD) Amended by 2020/0054(COD)
Legal basis	Treaty on the Functioning of the EU TFEU 349-p1sub1-as1 Treaty on the Functioning of the EU TFEU 178-p1
Other legal basis	Rules of Procedure EP 165
Mandatory consultation of other institutions	European Economic and Social Committee European Committee of the Regions
Stage reached in procedure	Procedure completed
Committee dossier	REGI/7/07470

Documentation gateway				
European Parliament				
Document type	Committee	Reference	Date	Summary
Amendments tabled in committee		PE491.053	07/06/2012	
Amendments tabled in committee		PE491.055	07/06/2012	
Amendments tabled in committee		PE491.209	11/06/2012	
Committee opinion	TRAN	PE486.006	20/06/2012	
Committee opinion	ITRE	PE486.187	21/06/2012	
Committee opinion	BUDG	PE489.343	21/06/2012	
Committee opinion	ENVI	PE487.705	25/06/2012	
Committee draft report		PE487.951	03/06/2013	
Amendments tabled in committee		PE514.646	21/06/2013	
Amendments tabled in committee		PE514.696	28/06/2013	
Committee report tabled for plenary, 1st reading/single reading		A7-0268/2013	17/07/2013	Summary
Text adopted by Parliament, 1st reading/single reading		T7-0484/2013	20/11/2013	Summary
Council of the EU				
Document type		Reference	Date	Summary
Draft final act		00083/2013/LEX	17/12/2013	
European Commission				

Document type	Reference	Date	Summary
Legislative proposal	COM(2011)0614 	06/10/2011	Summary
Document attached to the procedure	SEC(2011)1138 	06/10/2011	
Document attached to the procedure	SEC(2011)1139 	06/10/2011	
Commission response to text adopted in plenary	SP(2014)87	30/01/2014	
Follow-up document	COM(2016)0812 	20/12/2016	Summary
Follow-up document	SWD(2016)0447 	20/12/2016	

National parliaments

Document type	Parliament /Chamber	Reference	Date	Summary
Contribution	PT_PARLIAMENT	COM(2011)0614	08/12/2011	
Contribution	LU_CHAMBER	COM(2011)0614	15/12/2011	
Contribution	RO_CHAMBER	COM(2011)0614	13/01/2012	
Contribution	DE_BUNDES RAT	COM(2011)0614	14/02/2012	
Contribution	CZ_SENATE	COM(2011)0614	08/05/2012	
Contribution	IT_SENATE	COM(2011)0614	30/05/2012	

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
EESC	Economic and Social Committee: opinion, report	CES1042/2012	25/04/2012	
CofR	Committee of the Regions: opinion	CDR0005/2012	03/05/2012	

Additional information

Source	Document	Date
National parliaments	IPEX	
European Commission	EUR-Lex	
European Commission	EUR-Lex	

Final act

Delegated acts	
Reference	Subject
2014/2647(DEA)	Examination of delegated act
2017/2813(DEA)	Examination of delegated act

European Regional Development Fund (ERDF): support to the Investment for growth and jobs goal, 2014-2020

2011/0275(COD) - 20/12/2016

This Commission report is the first in a series of annual reports to the EU institutions on the implementation of the European Structural and Investment Funds (ESI Funds). It provides an overview of the 2016 annual implementation reports on the 533 programmes submitted by Member States and regions for the 2014-2015 period and summarises the available evaluations of these programmes.

The late adoption of the multiannual financial framework for the period 2014-2020 has had an impact on the adoption of legislation governing the ESI Funds. By the end of 2014, 220 programmes had been adopted. However, the majority (313) of programmes were finalised in 2015 181 of which were completed only in the second half of the year.

Progress in implementation: on the basis of the 2016 annual implementation reports covering 2014 and 2015, it appears that the total volume of projects selected for support from the Funds amounted to **EUR 58.8 billion**, or 9.2% of the total volume of investment planned for the 2014-2020 period. The EU's contribution to the selected projects is estimated at EUR 41.8 billion.

- According to the most recent financial data submitted up to the autumn of 2016, **implementation has accelerated significantly** in terms of the volume of project selection. The total financial volume of selected projects more than doubled in nine months, **from EUR 58.8 billion at the end of 2015 to EUR 128.8 billion** (20.2% of planned investments).
- By the end of 2015, the Member States and regions had selected **989 000 projects** ranging from investments in heavy infrastructure to individual support to farms. A total of **274,000 businesses** benefited from the selected operations, representing approximately 13.6% of the target of supporting 2 million businesses by the end of the period. The selected projects will bring support to 138 000 firms under ERDF.
- At the time of the adoption of the programmes, about **75% of all conditionalities** to ensure investment effectiveness (*ex ante* conditions) were met.
- The implementation of programme **structures and procedures** to ensure the robustness and quality of investments throughout the programme life cycle has been important for the successful launch of the programmes.
- Lastly, more than two-thirds of the country-specific recommendations adopted in 2014 in the context of the **European Semester** concerned investments under the ESI Funds (in particular the ERDF and ESF) and were therefore integrated into the priorities of the Member States' programmes.

Implementation by theme: the report provides an overview of the financial volume and the selection rate of projects for the ESI Funds by thematic objective at the end of 2015. The main findings are as follows:

- in total, an amount of around EUR 181 billion was provided for investments in the area of **research and innovation, information and communications technology and SME competitiveness**, mainly from the ERDF and the EAFRD. By the end of 2015, 19 000 firms were expected to benefit from ERDF schemes promoting cooperation with research institutes, while 5 000 researchers would benefit from improved RTD infrastructures. Also by the end of 2015, EUR 737 million for projects in the **digital economy** themes accounted for 4% of the planned total. It is expected that 25 000 start-ups will result along with the direct creation of 65 000 jobs in the supported firms;
- at the end of 2015, more than EUR 20 billion was already allocated to specific projects in the fields of the **low-carbon economy** (EUR 2.3 billion), **climate change** (EUR 6.6 billion), **the environment and transport** (EUR 7.6 billion), and **energy networks** (EUR 4.1 billion), representing around 9% of the total amount across all the funds contributing directly (ERDF, Cohesion Fund, EAFRD and EMFF);
- projects representing more than EUR 11.5 billion (more than 12% of the planned amount) were selected in the field of **employment, social inclusion and education**. Support to selected integrated urban development strategies covers 1.7 million people. Education and vocational training investments also showed substantial progress;
- lastly, an amount of approximately EUR 6 billion has been programmed to support **institutional capacity building** and efficiency of public administration, mainly under the ESF, with an ERDF contribution also planned. By the end of 2015, more than 11% of the total budget had been allocated to projects.

The Commission now considers it vital that the **implementation of the new programmes is accelerated** throughout the European Union.

Recent data show a more uniform state of advancement in most Member States and themes. The evolution of these trends will be further evaluated in the 2017 reporting cycle, which will provide a more comprehensive picture of implementation and allow for better reporting on a qualitative level.

European Regional Development Fund (ERDF): support to the Investment for growth and jobs goal, 2014-2020

2011/0275(COD) - 17/07/2013 - Committee report tabled for plenary, 1st reading/single reading

The Committee on Regional Development adopted the report by Jan OLBRYCHT (EPP, PL) on the proposal for a regulation of the European Parliament and of the Council on specific provisions concerning the European Regional Development Fund and the Investment for growth and jobs goal and repealing Regulation (EC) No 1080/2006

The committee recommended that the position of Parliament adopted in first reading following the ordinary legislative procedure should amend the Commission proposal as follows:

Scope of support: Members extended the scope of support of ERDF to:

- **productive investment, irrespective of the size of the enterprise** (in research and innovation, information and communication technologies (ICT), and promoting a low carbon economy, if it involves cooperation between large enterprises and SMEs);
- investment in **infrastructure relating to research and innovation**;
- investment in the development of endogenous potential through fixed investment in equipment and **small-scale infrastructure and sustainable tourism infrastructure**, services to enterprises, support to research and innovation bodies and investment in technology and applied research in enterprises;
- **networking**, cooperation and exchange of experience between competent regional, local, urban and other public authorities, economic and social partners, and bodies representing civil society.

Furthermore, Members **deleted the part of the Commission proposal which banned the ERDF from supporting investments in infrastructure** providing basic services to citizens in the areas of environment, transport, and ICT in more developed regions.

Lastly, Members forbade **investment in airport infrastructure** unless the investment is related to environmental protection.

Under the **European Territorial Cooperation** goal, the ERDF may also support the sharing of human resources and facilities and all types of infrastructure across borders in all regions.

Thematic concentration: Members were in favour of **increased flexibility** in this regard. The most important amendment was the inclusion of an additional thematic objective in the obligatory ones and the introduction of a separate mechanism for the concentration for the category of **transition regions**.

Moreover, **new derogations were included** in the report, in particular concerning specific needs of regions designated with the phasing-out status in the 2007-2013 period and NUTS 2 level regions consisting solely of islands, as well as the derogation for the northern sparsely populated regions.

There was also a derogation for **productive investments in enterprises in the outermost regions**, irrespectively of their size.

Investment priorities: Members added several new elements to the list of priorities regarding investments:

- the addition of "**eco-innovation**" to the thematic objective on strengthening research, technological development and innovation;
- supporting the adoption of **emerging technologies and networks for the digital economy**; strengthening ICT applications for e-culture;
- supporting the **capacity of SMEs** to engage in growth in regional, national and international markets, and in innovation processes;
- promoting research in, innovation in and adoption of **low-carbon technologies** and the use of high-efficiency co-generation of heat and power based on useful heat demand;
- investing in the **waste** sector and the **water** sector;
- revitalisation of **cities**;
- promoting **green growth**;
- developing and rehabilitating comprehensive, high quality and interoperable **railway system**, and promoting noise-reduction measures;
- promoting **social inclusion** through improved access to social, cultural and recreational services;
- support for physical, economic and social regeneration of **deprived communities in urban and rural areas**. The committee introduced a provision stating that a delegated act will amend the list of indicators in order to ensure effective assessment of progress in programme implementation.

Sustainable urban development: actions should be undertaken not only through Integrated Territorial Investments but also **through a specific operational programme, or a specific priority axis.**

Taking into account its specific territorial situation, each Member State must establish in its Partnership Agreement **the principles for the selection of urban areas** where integrated actions for sustainable urban development are to be implemented.

At least 5% of the ERDF resources allocated at national level under the Investment for Growth and Jobs goal will be allocated to integrated actions for sustainable urban development where **cities and urban authorities shall be responsible** for tasks relating at least to the selection of operations.

The Commission shall establish an **urban development network** to promote capacity-building, networking and exchange of experience at Union level between urban authorities responsible for implementing sustainable urban development strategies and innovative actions in the field of sustainable urban development.

European Regional Development Fund (ERDF): support to the Investment for growth and jobs goal, 2014-2020

2011/0275(COD) - 30/09/2013

The presidency informed the Council about the **state of play** in the ongoing trilogue discussions with the European Parliament and the Commission on the [EU's cohesion policy package for 2014-2020](#) on the basis of an issue paper (see *Council doc. 13796/13*).

The Council exchanged views and provided guidance to the presidency for finalising the negotiations with the European Parliament.

All Member States considered that a timely agreement was **urgently needed** in order to allow the new cohesion policy programmes to be implemented as from 1 January 2014. Member States reminded the significant concessions which the Council had already made to the European Parliament. They reiterated their willingness to continue working in a constructive spirit on this file.

With regard to the outstanding political issues, the discussion went along the following lines:

- Several Member States opposed any dilution of the **macro-economic conditionality**. They stressed its importance for making sure that the five European structural and investment funds (the European regional development fund (**ERDF**), the European social fund (**ESF**), the cohesion fund (**CF**), the European agricultural fund for rural development (**EAFRD**) and the European maritime and fisheries fund (**EMFF**)) were not undermined by unsound macro-economic policies.
- Many Member States objected to any change to the **performance reserve and the pre-financing** which could have an impact on the payments' profile, seen as a core element of the MFF agreement.
- Some Member States resisted to any modification to co-financing, reminding that national cofinancing was essential to guarantee the ownership of the different programmes on the ground.

European Regional Development Fund (ERDF): support to the Investment for growth and jobs goal, 2014-2020

2011/0275(COD) - 20/11/2013 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted by 605 votes to 34, with 54 abstentions, a legislative resolution on the proposal for a regulation of the European Parliament and of the Council on specific provisions concerning the European Regional Development Fund and the Investment for growth and jobs goal and repealing Regulation (EC) No 1080/2006.

Parliament's position adopted at first reading of the ordinary legislative procedure amended the Commission proposal as follows:

Scope of support: the scope of support of ERDF has been extended to:

- **productive investment, irrespective of the size of the enterprise** (in research and innovation, information and communication technologies (ICT), and promoting a low carbon economy, if it involves cooperation between large enterprises and SMEs);
- investment in business, research and innovation;
- investment in the development of endogenous potential through fixed investment in equipment and small-scale infrastructure and sustainable tourism infrastructure, services to enterprises, support to research and innovation bodies and investment in technology and applied research in enterprises;
- networking, cooperation and exchange of experience between competent regional, local, urban and other public authorities, economic and social partners, and bodies representing civil society.

Parliament forbade **investment in airport infrastructure** unless the investment is related to environmental protection.

Under the **European Territorial Cooperation** goal, the ERDF may also support the sharing of human resources and facilities and all types of infrastructure across borders in all regions.

Thematic concentration: Parliament was in favour of **increased flexibility** in this regard. The most important amendment was the inclusion of an additional thematic objective in the obligatory ones and the introduction of a separate mechanism for the concentration for the category of **transition regions**.

Moreover, **new derogations were included** in the resolution, in particular concerning specific needs of regions designated with the phasing-out status in the 2007-2013 period and NUTS 2 level regions consisting solely of islands, as well as the derogation for the northern sparsely populated regions.

There was also a derogation for **productive investments in enterprises in the outermost regions**, irrespectively of their size.

Investment priorities: Parliament added several new elements to the list of priorities regarding investments:

- the addition of **“eco-innovation”** to the thematic objective on strengthening research, technological development and innovation;
- supporting the adoption of **emerging technologies and networks for the digital economy**; strengthening ICT applications for e-culture;
- supporting the creation and the extension of **advanced capacities** for product and service development;
- supporting the **capacity of SMEs** to engage in growth in regional, national and international markets, and in innovation processes;
- supporting energy efficiency, **smart energy management**, including in public buildings;
- promoting research in, innovation in and adoption of **low-carbon technologies** and the use of high-efficiency co-generation of heat and power based on useful heat demand;
- investing in the **waste** sector and the **water** sector;
- revitalisation of **cities and promotion of noise-reduction measures**;
- promoting **green growth**;
- developing and rehabilitating comprehensive, high quality and interoperable **railway system**, and promoting noise-reduction measures;
- improving energy efficiency and security of supply through the development of smart energy distribution, storage and transmission systems and through the integration of distributed generation from renewable sources;
- promoting **social inclusion** through improved access to social, cultural and recreational services;
- support for physical, economic and social regeneration of **deprived communities in urban and rural areas**;
- investments undertaken in the context of Community-led local **development strategies**.

The Commission shall be empowered to adopt a **delegated act to amend the list of common output indicators**, in order to make adjustments, where justified to ensure effective assessment of progress in programme implementation.

Sustainable urban development: actions should be undertaken not only through Integrated Territorial Investments but also **through a specific operational programme, or a specific priority axis**.

Taking into account its specific territorial situation, each Member State must establish in its Partnership Agreement **the principles for the selection of urban areas** where integrated actions for sustainable urban development are to be implemented.

At least 5% of the ERDF resources allocated at national level under the Investment for Growth and Jobs goal will be allocated to integrated actions for sustainable urban development where **cities and urban authorities shall be responsible** for tasks relating at least to the selection of operations.

The Commission shall establish an **urban development network** to promote capacity-building, networking and exchange of experience at Union level between urban authorities responsible for implementing sustainable urban development strategies and innovative actions in the field of sustainable urban development.

European Regional Development Fund (ERDF): support to the Investment for growth and jobs goal, 2014-2020

2011/0275(COD) - 17/12/2013 - Final act

PURPOSE: to reinforce economic, social and territorial cohesion by redressing the main regional imbalances in the Union (Regulation European Regional and Development Fund (ERDF) – period 2014-2020).

LEGISLATIVE ACT: Regulation (EU) No 1301/2013 of the European Parliament and of the Council on the European Regional Development Fund (ERDF) and on specific provisions concerning the Investment for growth and jobs goal and repealing Regulation (EC) No 1080/2006.

CONTENT: the Regulation is part of **a package of measures** relating to the cohesion policy comprising the following Regulations:

- **Regulation (EU) No 1303/2013** of the European Parliament and of the Council sets out the provisions common to five European structural funds, the ERDF, the European Social Fund (ESF), the Cohesion Fund (CF), the European Agricultural Fund for Rural Development (EAFRD) and the European Maritime and Fisheries Fund (EMFF).
- The Regulations specific to the five funds for the **ERDF**, the **ESF**, the **Cohesion Fund**, the **European Territorial Cooperation** and the European grouping of territorial cooperation (**EGTC**).

This Regulation establishes: i) the tasks of the European Regional Development Fund (ERDF), ii) the scope of its support with regard to the Investment for growth and jobs goal set out in Regulation (EU) No 1303/2013, as well as iii) the European territorial cooperation goal and specific provisions concerning ERDF support for the **Investment for growth and jobs goal**.

The ERDF contributes to the financing of support which aims to reinforce economic, social and territorial cohesion by redressing the main regional imbalances in the Union through the sustainable development and structural adjustment of regional economies, including the conversion of declining industrial regions and regions whose development is lagging behind.

Scope of support from the ERDF: the ERDF supports the following activities:

- productive investment which contributes to creating and safeguarding sustainable jobs, through direct aid for investment in SMEs;
- productive investment, irrespective of the size of the enterprise concerned, in the areas of research and innovation and the transition to a low-carbon economy and to investment in the technology of information and communication (ICT), and, where that investment involves cooperation between large enterprises and SMEs;
- investment in infrastructure providing basic services to citizens in the areas of energy, environment, transport and ICT;
- investment in social, health, research, innovation, business and educational infrastructure;
- investment through fixed investment in equipment and small-scale infrastructure, including small-scale cultural and sustainable tourism infrastructure, services to enterprises, support to research and innovation bodies and investment in technology and applied research in enterprises;
- networking, cooperation and exchange of experience between competent regional, local, urban and other public authorities, economic and social partners and relevant bodies representing civil society.

Under the **European territorial cooperation** goal, the ERDF may also support the sharing of human resources and facilities, and all types of infrastructure across borders in all regions.

The Regulation establishes a negative list of activities that are not eligible for support, for example, the decommissioning or the construction of nuclear power stations; investment to achieve the reduction of greenhouse gas emissions; undertakings in difficulty, as defined under Union State aid rules; investment in **airport infrastructure** unless related to environmental protection.

The Regulation also sets priority investments for each of the thematic objectives.

Thematic concentration: according to this principle, minimum shares are set for a certain number of priority thematic objectives for the three types of funding beneficiary regions, namely:

- the less developed regions (GDP per capita is less than 75% of the average GDP of the EU-27);
- the transition regions (GDP per capita is between 75%-90% of the average GDP of the EU-27);
- the more developed regions (GDP per capita is more than 90% of the average GDP of the EU-27).

In **more developed regions**, for example, at least **80%** of the total ERDF resources at national level shall be allocated to the transition towards an economy with low CO2 emissions (energy efficiency and renewables), to research and innovation, to improving the competitiveness of small and medium-sized enterprises (SMEs) or the access to ICT.

In the regions in transition, it will be 60% and, in the less developed regions, 50%, to take account of their greater needs in terms of development.

Sustainable urban development: within the framework of the operational Programmes, the ERDF supports sustainable urban development by the means of integrated actions to tackle the economic, environmental, climate, demographic and social challenges affecting urban areas. Innovative actions in this area should also be supported. **A minimum of 5%** of the ERDF resources will be reserved for sustainable urban development.

The Commission should establish an **urban development network** to promote capacity-building, networking and exchange of experience at Union level.

Regions which suffer from severe and permanent natural or demographic handicaps: the ERDF will also take into account the specific difficulties encountered by certain islands, border regions, mountain regions and sparsely populated areas, the geographical situation of which slows down their development, with a view to supporting their sustainable development. Particular attention will be paid to the outermost regions.

The Regulation sets out in an Annex a common set of **output indicators** to assess the aggregated progress at Union level of the implementation of programmes

ENTRY INTO FORCE: 21.12.2013.

DELEGATED ACTS: the Commission may adopt delegated acts concerning the detailed rules relating to the selection criteria and management of innovative actions. The power to adopt delegated acts shall be conferred on the Commission **from 21 December 201 to 31 December 2020**. The European Parliament or the Council may object to a delegated act within a period of two months from the date of notification (this period can be extended for two months). If the European Parliament or the Council make objections, the delegated act will not enter into force.

European Regional Development Fund (ERDF): support to the Investment for growth and jobs goal, 2014-2020

PURPOSE: to define the next framework for cohesion policy for the period 2014-2020 (ERDF Regulation).

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

BACKGROUND: in its [proposal for the next multi-annual financial framework for the period 2014-2020](#), the Commission decided that cohesion policy should remain an essential element of the next financial package and underlined its pivotal role in delivering the Europe 2020 strategy. It proposed a number of important changes to the way cohesion policy is designed and implemented. Concentrating funding on a smaller number of priorities better linked to the Europe 2020 Strategy, focusing on results, monitoring progress towards agreed objectives, increasing the use of conditionalities and simplifying the delivery are among the major hallmarks of the proposal.

This proposal is part of a package of legislative measures relating to the **Cohesion policy 2014-2020**. This package includes:

- an [overarching regulation](#) setting out common rules governing the European Regional Development Fund (ERDF), the European Social Fund (ESF), the Cohesion Fund, the European Agricultural Fund for Rural Development (EAFRD) and the European Maritime and Fisheries Fund (EMFF). This will allow for the better combination of funds for a stronger impact of EU action;
- three specific regulations for the [ERDF](#), the [ESF](#) and the [Cohesion Fund](#);
- two regulations dealing with the [European territorial cooperation](#) goal and the European grouping of territorial cooperation ([EGTC](#));
- two regulations on the European Globalisation Fund ([EGF](#)) and the [Programme for Social Change and Innovation](#);
- a communication on the European Union Solidarity Fund ([EUSF](#)).

The European Regional Development Fund (ERDF) aims to strengthen economic and social cohesion in the European Union by correcting imbalances between its regions. The ERDF supports regional and local development by co-financing investments in R&D and innovation; climate change and environment; business support to SMEs; services of common economic interest; telecommunication, energy and transport infrastructures; health, education and social infrastructures; and sustainable urban development.

IMPACT ASSESSMENT: a **certain number of options were assessed** in particular in relation to the ERDF contribution to two public goods: (i) contribution to employment, R&D and innovation through enterprise support; (ii) investing in basic infrastructure (e.g. transport, energy, environment, social and health infrastructure).

The options examined included the status quo, changes to make funding more targeted, and an option which would be significantly more restrictive in scope compared with current funding options. **The option of increased targeting was chosen**, which increases the efficiency, effectiveness and EU added value of funding, but at the same time leaves regions sufficient flexibility regarding investment, and minimises the risk that activities requiring funding fall outside the scope of intervention.

LEGAL BASIS: Articles 178 and 349 of the Treaty on the Functioning of the European Union (TFEU).

CONTENT: the proposed Regulation determines the scope of intervention of the ERDF, and also defines a negative list of activities which will not be eligible for support. It defines investment priorities for each of the thematic objectives.

Thematic objectives: transition regions and more developed regions will be required to focus the largest part of their allocation (except for the ESF) on energy efficiency and renewable energy, competitiveness of SMEs, and innovation. Less developed regions will be able to devote their allocation to a wider range of objectives reflecting the broader range of development needs.

The mechanism proposed provides that:

- at least 80% of resources are focused on energy efficiency and renewables, research and innovation and SME support in more developed and transition regions of which 20% for energy efficiency and renewables. Given the ongoing restructuring needs in those regions phasing out from the Convergence objective, the minimum percentage shall be reduced to 60%;
- at least 50% of resources are focused on energy efficiency and renewables, research and innovation and SME support in less developed regions of which 6% for energy efficiency and renewables.

Sustainable urban development: the proposed Regulation provides for an increased focus on sustainable urban development. The increased focus is to be achieved through the earmarking of a minimum of 5% of ERDF resources for sustainable urban development, the establishment of an urban development platform to promote capacity building and exchange of experience, and the adoption of a list of cities where integrated actions for sustainable urban development will be implemented.

Regions suffering from severe natural or demographic handicaps: the proposal states that particular attention shall be paid to rural areas, areas affected by industrial transition, and regions which suffer from severe and permanent natural or demographic handicaps such as the northernmost regions.

Outermost regions: lastly, the proposed Regulation includes specific measures shall be adopted to take account of the structural social and economic situation of the outermost regions, which is compounded by certain specific features which severely restrain their development. The specific measures shall include conditions of access to the Structural Funds.

BUDGETARY IMPLICATION: the Commission's proposal for a Multiannual Financial Framework includes **EUR 376 billion** for cohesion policy for the period 2014-2020. The proposed budget (in billion euros) is broken down as follows:

- Less developed regions EUR 162.6
- Transition regions: EUR 38.9

- More developed regions: EUR 53.1
- Territorial cooperation: EUR 11.7
- Cohesion fund: EUR 68.7
- Extra allocation for outermost and sparsely populated regions: EUR 0.926.
- Facility for transport, energy and ICT: EUR 40 billion (with an additional EUR 10 billion ring-fenced inside the Cohesion Fund).

The present proposal establishes minimum shares for the ESF for each category of regions defined in the proposal for a General Regulation. This results in a minimum overall share for the ESF of **25 % of the budget allocated to cohesion policy** (excluding the allocation to the Connecting Europe Facility), i.e. EUR 84 billion. This implies that a maximum of EUR 183,3 billion remains available for the ERDF for the period 2014-2020.

DELEGATED ACTS: this proposal contains provisions empowering the Commission to adopt delegated acts in accordance with Article 290 of the Treaty on the Functioning of the European Union (TFEU).

European Regional Development Fund (ERDF): support to the Investment for growth and jobs goal, 2014-2020

2011/0275(COD) - 26/06/2012

The Council agreed a **second partial general approach** on the new rules for EU cohesion policy for the 2014-2020 period.

The partial general approach agreed **complements** the partial general approach on six rather technical elements agreed (programming; ex ante conditionality; management and control; monitoring and evaluation;

eligibility; major projects) on 24 April 2012. **Care has been taken to ensure that the partial general approach does not prejudge the outcome of negotiations on other elements of cohesion policy or on the EU's multiannual financial framework (MFF) for 2014-2020 or the financial regulation.** It may therefore be subject to change as a result of these other negotiations.

The partial general approach agreed today covers the **four following thematic blocks**:

1. **Thematic concentration** : the funds are concentrated on a limited number of thematic objectives, reflecting the 2020 priorities of the EU and taking into account the level of development of the different regions. Minimum shares of cohesion policy expenditure are set for employment, social inclusion and education.
2. **Financial instruments** : the five funds covered by a **common strategic framework** (CSF) (**European Regional Development Fund (ERDF)**, European Social Fund (**ESF**), Cohesion Fund (**CF**), European Agricultural Fund for Rural Development (EAFRD) and European Maritime and Fisheries Fund (EMFF)) may be used to support financial instruments such as loans, guarantees, equity investments or other risk-sharing instruments as long as these instruments address specific market needs.
3. **Net revenue generating operations and public-private partnerships** : this part of the partial general approach applies to operations which generate net revenue after their completion such as the construction of infrastructure (e.g. roads) for the use of which charges are levied. The Council agreed to reduce the eligible expenditure of a project to be co-financed by the EU by taking into account the project's potential to generate net revenue. The partial general approach also includes provisions on the use of the five funds covered by the CSF to support operations implemented within a public-private partnership.
4. **Performance framework** : this includes provisions setting out the rules on the possibility of suspension and cancellation of funds in the event of serious underachievement of certain targets.

As regards whether the **link between the EU strategy for jobs and growth and the cohesion policy** should be ensured via country-specific recommendations or national reform programmes, the Danish presidency decided to await clarification on the macroeconomic conditionality within the discussion on the multiannual financial framework (MFF) 2014-2020.

Further discussions will be held at Council level in the coming months under the Cypriot Presidency with a view to reaching **another partial general approach**. The new cohesion policy rules are closely linked to the MFF negotiations; they are only expected to be adopted by the European Parliament and the Council once an agreement on the MFF has been reached.