

Basic information	
2018/0196(COD) COD - Ordinary legislative procedure (ex-codecision procedure) Regulation	Procedure completed 19/03/2019: MFF 2021-2027/ Progress report - state of play in the Council
Common provisions on European Regional Development Fund, European Social Fund Plus, Cohesion Fund, and European Maritime and Fisheries Fund and financial rules for those and for Asylum and Migration Fund, Internal Security Fund and Border Management and Visa Instrument 2021–2027	
Amended by 2022/0164(COD) Amended by 2022/0208(COD) Amended by 2023/0199(COD)	
Subject 3.15.17 European Maritime and Fisheries Fund (EMFF) 4.10.15 European Social Fund (ESF), Fund for European Aid to the Most Deprived (FEAD) 4.70.02 Cohesion policy, Cohesion Fund (CF) 4.70.07 European Regional Development Fund (ERDF) 7.10.04 External borders crossing and controls, visas 7.10.06 Asylum, refugees, displaced persons; Asylum, Migration and Integration Fund (AMIF) 7.30.09 Public security	

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	REGI Regional Development	NOVAKOV Andrey (EPP) KREHL Constanze (S&D)	03/09/2019 03/09/2019
		Shadow rapporteur KNOTEK Ondřej (Renew) NIENASS Niklas (Greens /EFA) KLOC Izabela-Helena (ECR) DONATO Francesca (ID)	
Former committee responsible			
	REGI Regional Development	NOVAKOV Andrey (PPE) KREHL Constanze (S&D)	05/07/2018 05/07/2018
Former committee for opinion			

BUDG	Budgets	MUREŞAN Siegfried (PPE)	28/06/2018
CONT	Budgetary Control	HOFFMANN Iris (S&D)	02/07/2018
ECON	Economic and Monetary Affairs	MALETIĆ Ivana (PPE)	20/06/2018
EMPL	Employment and Social Affairs	JONGERIUS Agnes (S&D)	28/06/2018
ENVI	Environment, Public Health and Food Safety	VĂLEAN Adina (PPE)	21/06/2018
TRAN	Transport and Tourism	ZŁOTOWSKI Kosma (ECR)	26/06/2018
AGRI	Agriculture and Rural Development	ZOANĂ Maria Gabriela (S&D)	25/06/2018
PECH	Fisheries	The committee decided not to give an opinion.	
LIBE	Civil Liberties, Justice and Home Affairs	ZDECHOVSKÝ Tomáš (PPE)	10/09/2018
FEMM	Women's Rights and Gender Equality	GIRLING Julie (PPE)	28/09/2018

Council of the European Union	Council configuration	Meetings	Date
	General Affairs	3704	2019-06-25
European Commission	Commission DG	Commissioner	
	Regional and Urban Policy	CREȚU Corina	
European Economic and Social Committee			
European Committee of the Regions			

Key events			
Date	Event	Reference	Summary
29/05/2018	Legislative proposal published	COM(2018)0375	Summary
			

11/06/2018	Committee referral announced in Parliament, 1st reading		
22/01/2019	Vote in committee, 1st reading		
29/01/2019	Committee report tabled for plenary, 1st reading	A8-0043/2019	Summary
13/02/2019	Decision by Parliament, 1st reading	T8-0096/2019	Summary
13/02/2019	Results of vote in Parliament		
13/02/2019	Debate in Parliament		
13/02/2019	Matter referred back to the committee responsible for interinstitutional negotiations		
27/03/2019	Decision by Parliament, 1st reading	T8-0310/2019	Summary
27/03/2019	Results of vote in Parliament		
25/06/2019	Debate in Council		
02/10/2019	Committee decision to open interinstitutional negotiations after 1st reading in Parliament		
09/10/2019	Committee decision to enter into interinstitutional negotiations announced in plenary (Rule 72)		
16/03/2021	Approval in committee of the text agreed at early 2nd reading interinstitutional negotiations	PE689.704	
31/05/2021	Council position published	06674/2021	
07/06/2021	Committee referral announced in Parliament, 2nd reading		
15/06/2021	Vote in committee, 2nd reading		
18/06/2021	Committee recommendation tabled for plenary, 2nd reading	A9-0206/2021	
23/06/2021	Decision by Parliament, 2nd reading	T9-0298/2021	Summary
23/06/2021	Debate in Parliament		
24/06/2021	Final act signed		
30/06/2021	Final act published in Official Journal		

Technical information	
Procedure reference	2018/0196(COD)
Procedure type	COD - Ordinary legislative procedure (ex-codecision procedure)
Procedure subtype	Legislation
Legislative instrument	Regulation
Amendments and repeals	Amended by 2022/0164(COD) Amended by 2022/0208(COD) Amended by 2023/0199(COD)
Legal basis	Rules of Procedure EP 61 Treaty on the Functioning of the EU TFEU 349-p1sub1-as1 Treaty on the Functioning of the EU TFEU 322-p1 Treaty on the Functioning of the EU TFEU 177-p2 Treaty on the Functioning of the EU TFEU 177-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/9/01370

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE626.671	13/09/2018	
Committee opinion	CONT	PE628.627	11/10/2018	
Committee opinion	ENVI	PE628.632	16/10/2018	
Committee opinion	FEMM	PE629.490	19/10/2018	
Amendments tabled in committee		PE629.575	24/10/2018	
Amendments tabled in committee		PE629.576	24/10/2018	
Amendments tabled in committee		PE629.577	24/10/2018	
Amendments tabled in committee		PE629.578	24/10/2018	
Amendments tabled in committee		PE629.580	24/10/2018	
Amendments tabled in committee		PE629.551	30/10/2018	
Amendments tabled in committee		PE629.579	15/11/2018	
Committee opinion	TRAN	PE627.581	19/11/2018	
Committee opinion	EMPL	PE627.592	20/11/2018	
Committee opinion	ECON	PE627.868	22/11/2018	
Committee opinion	LIBE	PE627.729	23/11/2018	
Committee opinion	AGRI	PE625.354	05/12/2018	
Committee opinion	BUDG	PE625.490	11/12/2018	
Committee report tabled for plenary, 1st reading/single reading		A8-0043/2019	29/01/2019	Summary
Text adopted by Parliament, partial vote at 1st reading /single reading		T8-0096/2019	13/02/2019	Summary
Text adopted by Parliament, 1st reading/single reading		T8-0310/2019	27/03/2019	Summary
Text agreed during interinstitutional negotiations		PE689.704	03/03/2021	
Committee draft report		PE692.951	08/06/2021	
Committee recommendation tabled for plenary, 2nd reading		A9-0206/2021	18/06/2021	
Text adopted by Parliament, 2nd reading		T9-0298/2021	23/06/2021	Summary

Council of the EU
Document type

Reference

Date

Summary

Council position	06674/2021	31/05/2021	
Draft final act	00047/2021/LEX	24/06/2021	

European Commission

Document type	Reference	Date	Summary
Legislative proposal	COM(2018)0375 	29/05/2018	Summary
Commission response to text adopted in plenary	SP(2019)437	30/07/2019	
Supplementary legislative basic document	COM(2020)0023 	14/01/2020	Summary
Supplementary legislative basic document	COM(2020)0450 	28/05/2020	Summary
Commission communication on Council's position	COM(2021)0291 	03/06/2021	

National parliaments

Document type	Parliament /Chamber	Reference	Date	Summary
Contribution	ES_CONGRESS	COM(2018)0375	23/07/2018	
Contribution	PT_PARLIAMENT	COM(2018)0375	06/09/2018	
Contribution	DE_BUNDESRAT	COM(2018)0375	23/10/2018	
Contribution	CZ_SENATE	COM(2018)0375	25/10/2018	
Contribution	DE_BUNDESRAT	COM(2018)0375	18/02/2019	
Contribution	RO_SENATE	COM(2020)0023	17/03/2020	
Contribution	DE_BUNDESRAT	COM(2020)0023	20/03/2020	
Contribution	CZ_SENATE	COM(2020)0023	11/05/2020	
Contribution	ES_PARLIAMENT	COM(2020)0450	07/07/2020	
Contribution	PT_PARLIAMENT	COM(2020)0450	24/07/2020	

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
EESC	Economic and Social Committee: opinion, report	CES2791/2018	17/10/2018	
CofA	Court of Auditors: opinion, report	N8-0017/2019 OJ C 017 14.01.2019, p. 0001	25/10/2018	Summary
CofR	Committee of the Regions: opinion	CDR3593/2018	05/12/2018	
EESC	Economic and Social Committee: opinion, report	CES0499/2020	10/06/2020	

CofR	Committee of the Regions: opinion	CDR0418/2020	02/07/2020
EESC	Economic and Social Committee: opinion, report	CES2766/2020	18/09/2020
CofR	Committee of the Regions: opinion	CDR3318/2020	14/10/2020

Additional information		
Source	Document	Date
EP Research Service	Briefing	

Meetings with interest representatives published in line with the Rules of Procedure

Rapporteurs, Shadow Rapporteurs and Committee Chairs

Transparency				
Name	Role	Committee	Date	Interest representatives
NOVAKOV Andrey	Rapporteur	REGI	30/03/2020	Commissioner Elisa Ferreira

Final act				
Regulation 2021/1060 OJ L 231 30.06.2021, p. 0159				
Corrigendum to final act 32021R1060R(05) OJ L 241 19.09.2022, p. 0016				
Corrigendum to final act 32021R1060R(01) OJ L 261 22.07.2021, p. 0058				

Delegated acts	
Reference	Subject
2022/2803(DEA)	Examination of delegated act
2022/2904(DEA)	Examination of delegated act
2023/2791(DEA)	Examination of delegated act

Common provisions on European Regional Development Fund, European Social Fund Plus, Cohesion Fund, and European Maritime and Fisheries Fund and financial rules for those and for Asylum and Migration Fund, Internal Security Fund and Border Management and Visa Instrument 2021–2027

PURPOSE: to strengthen economic, social and territorial cohesion for the period 2021-2027 (Regulation laying down common provisions).

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: for the next multiannual financial framework covering the period 2021-2027, the Commission proposes to **modernise cohesion policy** to help redress imbalances within and between Member States.

Given that the **rules applicable were overly complex and fragmented** between the different funds and the various forms of financing, this proposal for a Regulation aims to **establish common provisions for seven funds**, namely (i) the Cohesion Fund (CF), (ii) the European Maritime and Fisheries Fund (EMFF), (iii) the European Regional Development Fund (ERDF), (iv) the European Social Fund plus (ESF+), (v) the Asylum and Migration Fund (AMIF), (vi) the Border Management and Visa Instrument (BMVI) and (vii) the Internal Security Fund (ISF).

CONTENT: this proposal for a Regulation - presented for a Union of 27 Member States - seeks to create a **common set of simplified and consolidated rules** covering seven EU funds.

The main elements of the Commission proposal are as follows:

Shared management and partnership: part of the budget of the Union allocated to the Funds should be implemented by the Commission under shared management with Member States. Each Member State should organise partnerships with local and regional authorities, urban and public authorities, economic and social partners, civil society and bodies promoting social inclusion, fundamental rights, gender equality, non-discrimination and the rights of people with disabilities.

The contribution of EU programmes to the overall objective of increasing the share of EU spending contributing to **climate** objectives to **25%** shall be tracked through an EU climate marker system.

Strategic approach: the Commission proposes to reduce the eleven thematic objectives used for the period 2014-2020 to **five clear policy objectives**:

1. **a smarter Europe** by promoting innovative and smart economic transformation;
2. **a greener, low-carbon Europe** by promoting clean and fair energy transition, green and blue investment, the circular economy, climate adaptation and risk prevention and management;
3. **a more connected Europe** by enhancing mobility and regional ICT connectivity;
4. **a more social Europe** implementing the European Pillar of Social Rights;
5. **a Europe closer to citizens** by fostering the sustainable and integrated development of urban, rural and coastal areas and local initiatives.

Simplification: the proposal aims at **significantly reducing the unnecessary administrative burden** for beneficiaries and management bodies while maintaining a high level of assurance on legality and regularity. Among other things, it provides for:

- the use of simplified cost options, i.e. flat-rate reimbursement, standard scales of unit costs or flat-rate amounts;
- the possibility of payments based on conditions;
- the abolition of specific rules for revenue generating investments and of the procedure applicable to major projects;
- simplified financing, for example through the use of the 'seal of excellence';
- the extension of the single audit principle, fewer controls and an enhanced proportionate approach for programmes with a low error rate.

The proposal also increases the **flexibility** needed to meet emerging needs:

- allowing limited financial transfers between EU programmes;
- creating flexibility for the ERDF, ESF+ and the Cohesion Fund: only the first 5 years will be programmed initially. Allocations for the last 2 years will be made on the basis of a substantial and in-depth mid-term review leading to corresponding reprogramming in 2025;
- enabling voluntary transfer of resources towards the five policy windows of the InvestEU instruments to benefit from an EU-level budgetary guarantee mechanism.

Lastly, the proposal seeks to align the programmes more closely with EU priorities and increase their effectiveness, in particular by creating a **closer link with the European Semester** to improve the investment climate in Europe. Conditionality linked to the European Semester shall be simplified. In particular, country-specific recommendations (CSRs) shall be taken into account in programming at least on two occasions: at the beginning of the programming and during the mid-term review.

Proposed overall budget: the Commission [proposal](#) for a multiannual financial framework sets an envelope of **EUR 330 billion** for economic, social and territorial cohesion for the period 2021-2027:

- **European Regional Development Fund (ERDF): EUR 200.62 billion**, of which (i) investment for jobs and growth: EUR 190.75 billion; (ii) European territorial cooperation: EUR 8.43 billion; (iii) outermost and sparsely populated regions: EUR 1.44 billion.
- **Cohesion Fund (CF): EUR 41.34 billion**, of which contribution to the Connecting Europe Facility - Transport: EUR 10 billion.
- **European Social Fund+: EUR 88.64 billion**.

The Commission proposal for the financing of the EMFF, AMIF, BMVI and ISF shall be included in fund specific Regulations.

Common provisions on European Regional Development Fund, European Social Fund Plus, Cohesion Fund, and European Maritime and Fisheries Fund and financial rules for those and for Asylum and Migration Fund, Internal Security Fund and Border Management and Visa Instrument 2021–2027

2018/0196(COD) - 13/02/2019 - Text adopted by Parliament, partial vote at 1st reading/single reading

The European Parliament adopted by 460 votes to 170, with 47 abstentions, amendments to the proposal for a regulation of the European Parliament and of the Council laying down common provisions on the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, and the European Maritime and Fisheries Fund and financial rules for those and for the Asylum and Migration Fund, the Internal Security Fund and the Border Management and Visa Instrument.

The matter was referred back to the committees responsible for interinstitutional negotiations.

The main amendments adopted in plenary concern the following issues:

Parliament noted that the report noted that it is important for the future of the European Union and its citizens that cohesion policy remains the main investment policy of the Union, keeping its funding in the 2021-2027 period at least at the level of the 2014-2020 programming period.

Reintegration of the EARDF

Members sought to reintegrate the EARDF into the common provisions Regulation in order to prevent strategic gaps and coordination issues for local investment.

Common rules

The common rules shall be more closely related to the overall objectives of EU policy, such as:

- a more competitive and smarter Europe by promoting innovative and smart economic transformation and strengthening small and medium-sized enterprises;
- a greener, low-carbon transitioning towards a net zero carbon economy and resilient Europe by promoting clean and fair energy transition, green and blue investment, the circular economy, climate change mitigation and adaptation and risk prevention and management;
- more connected Europe by enhancing mobility, including smart and sustainable mobility, and regional ICT connectivity;
- a more social and inclusive Europe implementing the European Pillar of Social Rights;
- a Europe closer to citizens by fostering the sustainable and integrated development of all regions, areas and local initiatives.

New horizontal principles

Parliament proposed adding new horizontal principles to ensure the respect for fundamental rights, gender equality, accessibility for persons with disabilities, rational use of resources, environmental protection and the fight against climate change. These principles shall aim at avoiding investments related to production, processing, distribution, storage or combustion of fossil fuels.

Partnerships

For the partnership agreement and each programme, each Member State shall, in accordance with its institutional and legal framework, organise a fully -fledged, effective partnership.

The Member State shall involve those partners in the preparation of partnership agreements and throughout the preparation, implementation and evaluation of programmes including through participation in monitoring committees. In that context, Member States shall allocate an appropriate percentage of the resources coming from the Funds for the administrative capacity building of social partners and civil society organisations.

The Member State shall submit the partnership agreement to the Commission before or at the same time as the first programme, but no later than 30 April 2021.

Measures related to good economic governance

Parliament rejected measures relating to EU regional funding to macroeconomic conditionalities, as proposed by the Commission, in order not to penalise regional authorities for decisions taken by national governments.

Major projects

Since major projects (for which the total eligible cost exceeds EUR 100 million) absorb a considerable part of the Union's expenditure, Members proposed that operations exceeding certain thresholds shall continue to be subject to specific approval procedures under the Regulation. This threshold shall be established in relation to the total eligible cost after taking into account the expected net revenues.

To ensure clarity, it is appropriate to define the content of a major project application for such a purpose. The application should contain the necessary information to provide assurance that the financial contribution from the Funds does not result in a substantial loss of jobs in existing locations within the Union. The Member State should submit all required information and the Commission should appraise the major project to determine whether the requested financial contribution is justified.

Funding

The resources for economic, social and territorial cohesion available for budgetary commitment for the period 2021-2027 shall be EUR 378.1 billion in 2018 prices (14 % more than the Commission's proposal of EUR 330.6 billion).

The minimum overall allocation from the Funds, at national level, should be equal to 76% of the budget allocated to each Member State or region over the 2014-2020 period.

Parliament suggested that:

- resources for the Investment for jobs and growth goal shall amount to 97 % of the global resources, i.e., a total of EUR 367 billion (in 2018 prices). Out of this amount, EUR 5.9 billion shall be allocated to the Child Guarantee from the resources under the ESF+;
- less developed regions will keep benefiting from substantial EU support, with co-financing rates of up to 85% (instead of 70 % as proposed by the Commission) and an overall envelope of 61.6 % of the Regional Development, Social and Cohesion funds. The co-financing rate for transition and more developed regions has also been increased, to 65% and 50%, respectively. EUR 1.6 billion (0.4%) should be set aside as additional funding for the outermost regions;
- resources for cross-border projects under Interreg, the European Regional Development Fund, shall amount to EUR 11.3 billion in 2018 prices, 3% (instead of the 2.5% proposed by the Commission) of the global cohesion resources;
- EUR 560 million at 2018 prices from the resources dedicated to the Investment for Jobs and Growth objective shall be allocated to the European Urban Initiative;
- the Social Fund may, in duly justified cases, provide for co-financing rates of up to 90 %, for priorities supporting innovative actions.

Transfers from cohesion policy to InvestEU and the connecting European facility

As of 1 January 2023, Member States, with the agreement of the managing authorities concerned, may allocate, in the request for an amendment of a programme, up to 2% of ERDF, the ESF+, the Cohesion Fund and the EMFF to be contributed to InvestEU and delivered through budgetary guarantees. Up to 3% of the total allocation of each Fund may be further allocated to InvestEU under the mid-term review.

While the Commission's proposal also provides for EUR 10 billion to be made available from the Cohesion Fund to the European Interconnection Facility (EIM), Parliament proposed to limit the transfer to EUR 4 billion.

Common provisions on European Regional Development Fund, European Social Fund Plus, Cohesion Fund, and European Maritime and Fisheries Fund and financial rules for those and for Asylum and Migration Fund, Internal Security Fund and Border Management and Visa Instrument 2021–2027

2018/0196(COD) - 29/01/2019 - Committee report tabled for plenary, 1st reading/single reading

The Committee on Regional Development adopted the joint report by Constanze KREHL (S&D, DE) and Andrey NOVAKOV (EPP, BG) on the proposal for a regulation of the European Parliament and of the Council laying down common provisions on the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, and the European Maritime and Fisheries Fund and financial rules for those and for the Asylum and Migration Fund, the Internal Security Fund and the Border Management and Visa Instrument.

The report noted that it is important for the future of the European Union and its citizens that cohesion policy remains the main investment policy of the Union, keeping its funding in the 2021-2027 period at least at the level of the 2014-2020 programming period. New funding for other areas of activity or programmes of the Union should not be to the detriment of the European Regional Development Fund, the European Social Fund Plus or the Cohesion Fund.

The committee recommended that the European Parliament's position adopted at first reading under the ordinary legislative procedure should amend the Commission's proposal as follows.

Subject-matter and scope

This Regulation lays down financial rules for the European Regional Development Fund ('ERDF'), the European Social Fund Plus ('ESF+'), the Cohesion Fund, the European Agricultural Fund for Rural Development (EARDF), the European Maritime and Fisheries Fund ('EMFF'), the Asylum and Migration Fund ('AMIF'), the Internal Security Fund ('ISF') and the Border Management and Visa Instrument ('BMVI').

Members sought to reintegrate the EAFRD into the common provisions Regulation in order to prevent strategic gaps and coordination issues for local investment.

Member States and the Commission are urged to ensure compliance with relevant State aid rules.

Partnerships

For the Partnership Agreement and each programme, each Member State shall, in accordance with its institutional and legal framework, organise a fully -fledged, effective partnership. That partnership shall include at least the following partners:

- regional, local, urban and other public authorities;
- relevant bodies representing civil society, such as environmental partners, non-governmental organisations, and bodies responsible for promoting social inclusion, fundamental rights, rights of persons with disabilities, gender equality and non-discrimination;
- research institutions and universities.

In accordance with the multi-level governance principle and following a bottom-up approach, the Member State shall involve those partners in the preparation of Partnership Agreements and throughout the preparation, implementation and evaluation of programmes including through participation in monitoring committees. In that context, Member States shall allocate an appropriate percentage of the resources coming from the Funds for the administrative capacity building of social partners and civil society organisations.

The Member State shall submit the Partnership Agreement to the Commission before or at the same time as the submission of the first programme, but not later than 30 April 2021.

New horizontal principles

Members proposed adding new horizontal principles to ensure the respect for fundamental rights, gender equality, persons with disabilities, environmental protection, etc. They shall aim at avoiding investments related to production, processing, distribution, storage or combustion of fossil fuels.

Major projects

Major projects represent a substantial share of Union spending. More specifically, as part of a programme or programmes, the ERDF and the Cohesion Fund may support an operation comprising a series of works, activities or services intended in itself to accomplish an indivisible task of a precise economic or technical nature which has clearly identified goals and for which the total eligible cost exceeds EUR 100 billion (major project). Financial instruments shall not be considered to be major projects.

To ensure clarity, it is appropriate to define the content of a major project application for such a purpose. The application should contain the necessary information to provide assurance that the financial contribution from the Funds does not result in a substantial loss of jobs in existing locations within the Union. The Member State should submit all required information and the Commission should appraise the major project to determine whether the requested financial contribution is justified.

Funding

The resources for economic, social and territorial cohesion available for budgetary commitment for the period 2021-2027 shall be **EUR 378.1 billion in 2018 prices** (14 % more than the Commission's proposal of EUR 330.6 billion).

The minimum overall allocation from the Funds, at national level, should be equal to 76% of the budget allocated to each Member State or region over the 2014-2020 period.

Resources for the Investment for jobs and growth goal shall amount to 97 % of the global resources, i.e., a total of EUR 367 billion (in 2018 prices). Out of this amount, EUR 5.9 billion shall be allocated to the Child Guarantee from the resources under the ESF+.

Less developed regions will keep benefiting from substantial EU support, with co-financing rates of up to 85% (instead of 70 % as proposed by the Commission) and an overall envelope of 61.6 % of the Regional Development, Social and Cohesion funds.

The co-financing rate for transition and more developed regions has also been increased, to 65% and 50%, respectively. EUR 1.6 billion (0.4%) should be set aside as additional funding for the outermost regions.

Resources for cross-border projects under Interreg, the European Regional Development Fund, shall amount to EUR 11.3 billion in 2018 prices, 3% (instead of the 2.5% proposed by the Commission) of the global cohesion resources.

Members agreed that the Social Fund may, in duly justified cases, provide for co-financing rates of up to 90 %, for priorities supporting innovative actions.

Common provisions on European Regional Development Fund, European Social Fund Plus, Cohesion Fund, and European Maritime and Fisheries Fund and financial rules for those and for Asylum and Migration Fund, Internal Security Fund and Border Management and Visa Instrument 2021–2027

2018/0196(COD) - 25/10/2018 - Court of Auditors: opinion, report

Opinion No 6/2018 concerning the proposal for a Regulation of the European Parliament and of the Council laying down common provisions on the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, and the European Maritime and Fisheries Fund and financial rules for those and for the Asylum and Migration Fund, the Internal Security Fund and the Border Management and Visa Instrument.

The Court of Auditors has drawn conclusions on each of the Commission's main objectives underlying the policy design presented in its proposal for a Regulation on common provisions (CPR), namely:

Simplification

While fully supporting the Commission's ambitions to simplify, the Court stresses that the potential benefits of simplification in terms of a reduced administrative burden and efficiency savings are outweighed by greater risks to compliance with the rules and to sound financial management.

Some provisions in the CPR proposal lack clarity, which may lead to different interpretation of rules, affecting legal certainty. Examples are the methodology for the mid-term review, criteria for the assessment of key control requirements and conditions for use of the enhanced proportionality arrangements.

The proposal offers a range of simplification measures, such as simplified cost options, and financing not linked to costs, which, if properly designed and effectively applied by the Member States, have the potential to shift focus from spending to results.

Flexibility in policy implementation

The draft CPR proposes a new element for the 2021-2027 period. This is to have two-stage (5 + 2) programming for three funds, whereby the allocations for the last two years are set in 2025 as part of a mid-term review exercise. The Court expresses concern about the proposed timing of the review, and the administrative burden involved which represents a complication rather than a simplification and calls for further clarification on this issue.

Alignment between funding and EU priorities

The Court welcomes the steps made by the Commission to strengthen the link between the use of EU funding and the EU's high level economic governance arrangements (the European semester) such as the added emphasis on the implementation of relevant country-specific recommendations within programmes and moving from *ex ante* conditionalities to simpler enabling conditions, and providing a number of aspects of this for the Commission to consider.

On the other hand, the draft CPR for the next period is not supported by an EU-wide strategy or set of targets. Rather, it is for the Member States to define the main strategic goals. As a result, the proposal does not align funding with EU priorities and is less performance-oriented than in the period 2014-2020.

Accountability arrangements

The proposal seeks to rationalise and streamline accountability arrangements. For example, it replaces exhaustive management verifications by risk-based verifications. While supporting these ambitions, the Court considers that there is scope to tighten up the management and control system in some places.

The Court notes that the proposed enhanced proportionate arrangements for control systems effectively eliminate supervision by the Commission and could expose EU funds to increased risks. This element of the proposal could jeopardise achievements in internal control developed over the last two decades. The Court makes several considerations for the Commission in this area.

Common provisions on European Regional Development Fund, European Social Fund Plus, Cohesion Fund, and European Maritime and Fisheries Fund and financial rules for those and for Asylum and Migration Fund, Internal Security Fund and Border Management and Visa Instrument 2021–2027

The European Parliament adopted a legislative resolution on the proposal for a regulation of the European Parliament and of the Council laying down common provisions on the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, and the European Maritime and Fisheries Fund and financial rules for those and for the Asylum and Migration Fund, the Internal Security Fund and the Border Management and Visa Instrument (closure of first reading).

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

Reintegration of the EARDF

The objectives of the proposed Regulation are to strengthen economic, social and territorial cohesion and to lay down common financial rules for part of the budget of the Union implemented under shared management. Members sought to reintegrate the EARDF into the common provisions Regulation in order to prevent strategic gaps and coordination issues for local investment.

Common rules

The common rules shall be more closely related to the overall objectives of EU policy, such as:

- a more competitive and smarter Europe by promoting innovative and smart economic transformation and strengthening small and medium-sized enterprises;
- a greener, low-carbon transitioning towards a net zero carbon economy and resilient Europe by promoting clean and fair energy transition, green and blue investment, the circular economy, climate change mitigation and adaptation and risk prevention and management;
- more connected Europe by enhancing mobility, including smart and sustainable mobility, and regional ICT connectivity;
- a more social and inclusive Europe implementing the European Pillar of Social Rights;
- a Europe closer to citizens by fostering the sustainable and integrated development of all regions, areas and local initiatives.

Member States shall ensure climate proofing for relevant operations through the entire planning and implementation process.

New horizontal principles

Parliament proposed adding new horizontal principles to ensure the respect for fundamental rights, gender equality, accessibility for persons with disabilities, rational use of resources, environmental protection and the fight against climate change. These principles shall aim at avoiding investments related to production, processing, distribution, storage or combustion of fossil fuels.

Partnerships

For the partnership agreement and each programme, each Member State shall, in accordance with its institutional and legal framework, organise a fully -fledged, effective partnership.

The Member State shall involve those partners in the preparation of partnership agreements and throughout the preparation, implementation and evaluation of programmes including through participation in monitoring committees. In that context, Member States shall allocate an appropriate percentage of the resources coming from the Funds for the administrative capacity building of social partners and civil society organisations.

The Member State shall submit the partnership agreement to the Commission before or at the same time as the first programme, but no later than 30 April 2021.

Measures related to good economic governance

Parliament rejected measures relating to EU regional funding to macroeconomic conditionalities, as proposed by the Commission, in order not to penalise regional authorities for decisions taken by national governments.

The Commission may propose to the Council to gradually suspend, in certain cases, all or part of the commitments intended for one or more of a Member State's programmes after taking into account the economic and social situation of the Member State concerned and the impact of the envisaged suspension on the economy.

Major projects

Since major projects (for which the total eligible cost exceeds EUR 100 million) absorb a considerable part of the Union's expenditure, Parliament proposed that operations exceeding certain thresholds shall continue to be subject to specific approval procedures under the Regulation. This threshold shall be established in relation to the total eligible cost after taking into account the expected net revenues.

To ensure clarity, it is appropriate to define the content of a major project application for such a purpose. The application should contain the necessary information to provide assurance that the financial contribution from the Funds does not result in a substantial loss of jobs in existing locations within the Union. The Member State should submit all required information and the Commission should appraise the major project to determine whether the requested financial contribution is justified.

Funding

The resources for economic, social and territorial cohesion available for budgetary commitment for the period 2021-2027 shall be EUR 378.1 billion in 2018 prices (14 % more than the Commission's proposal of EUR 330.6 billion).

The minimum overall allocation from the Funds, at national level, should be equal to 76% of the budget allocated to each Member State or region over the 2014-2020 period.

Parliament suggested that:

- resources for the Investment for jobs and growth goal shall amount to 97 % of the global resources, i.e., a total of EUR 367 billion (in 2018 prices). Out of this amount, EUR 5.9 billion shall be allocated to the Child Guarantee from the resources under the ESF+;
- less developed regions will keep benefiting from substantial EU support, with co-financing rates of up to 85% (instead of 70 % as proposed by the Commission) and an overall envelope of 61.6 % of the Regional Development, Social and Cohesion funds. The co-financing rate for transition and more developed regions has also been increased, to 65% and 50%, respectively. EUR 1.6 billion (0.4%) should be set aside as additional funding for the outermost regions;
- resources for cross-border projects under Interreg, the European Regional Development Fund, shall amount to EUR 11.3 billion in 2018 prices, 3% (instead of the 2.5% proposed by the Commission) of the global cohesion resources;
- EUR 560 million at 2018 prices from the resources dedicated to the Investment for Jobs and Growth objective shall be allocated to the European Urban Initiative;
- the Social Fund may, in duly justified cases, provide for co-financing rates of up to 90 %, for priorities supporting innovative actions.

Pre-financing rate

In the Commission's proposal, pre-financing shall be paid on an annual basis at a flat rate of 0.5% per year. Parliament has proposed to gradually increase the pre-financing rate over the period covered by the Multiannual Framework to 2% in the last two years of the programming period (2025 and 2026).

Transfers from cohesion policy to InvestEU and the connecting European facility

As of 1 January 2023, Member States, with the agreement of the managing authorities concerned, may allocate, in the request for an amendment of a programme, up to 2% of ERDF, the ESF+, the Cohesion Fund and the EMFF to be contributed to InvestEU and delivered through budgetary guarantees. Up to 3% of the total allocation of each Fund may be further allocated to InvestEU under the mid-term review.

While the Commission's proposal also provides for EUR 10 billion to be made available from the Cohesion Fund to the European Interconnection Facility (EIM), Parliament proposed to limit the transfer to EUR 4 billion.

Mid-term review and programming

Member State shall carry out a mid-term review of each programme financed by the ERDF, ESF+ and Cohesion Fund. This review should allow programmes to be adapted on the basis of their performance, while also providing an opportunity to take into account new challenges, relevant country-specific recommendations adopted in 2024, as well as progress made with national climate and energy plans and the Pillar of European Social Rights.

Common provisions on European Regional Development Fund, European Social Fund Plus, Cohesion Fund, and European Maritime and Fisheries Fund and financial rules for those and for Asylum and Migration Fund, Internal Security Fund and Border Management and Visa Instrument 2021–2027

2018/0196(COD) - 28/05/2020 - Supplementary legislative basic document

PURPOSE: to lay down targeted amendments to the proposal for a Regulation laying down common provisions (CPR) relating to the European Structural and Investment Funds based on lessons learned in the context of the COVID-19 outbreak.

BACKGROUND: the Cohesion Policy instruments currently available under the 2014-2020 programmes have already been adapted in immediate response to the COVID19 pandemic:

- a **first amendment** to Regulation (EU) No 1303/2013 has been adopted to strengthen Member States' health systems through increased investment and to support economic operators and workers;
- a **second amendment** aims to provide Member States with exceptional flexibility for the management and modification of their programmes when necessary in order to respond to the crisis situation.

Furthermore, the Commission is proposing to harness the full power of the EU budget to mobilise investment and frontload financial support in the crucial first years of recovery. These proposals are based on two pillars. On the one hand, an emergency European Recovery Instrument which will temporarily boost the financial firepower of the EU budget by using the headroom in the EU budget to raise additional financing on the financial markets. On the other hand, a reinforced multiannual financial framework for 2021-2027.

The present proposal, on which the European Parliament is again consulted, falls under the second pillar mentioned above. Cohesion policy investments in the period 2021-2027 will need to play their long-term role as growth and convergence enhancing instruments from 2021 onwards, when the EU economy will be expectedly starting to bounce back from the severe recession.

Support should be targeted in particular at those regions most affected by the crisis and which are less equipped to bounce back. Furthermore, the sudden and unexpected development of the pandemic highlights the need for a more flexible and responsive cohesion policy.

CONTENT: the proposal makes limited improvements and adjustments to the proposal for a Common Provisions Regulation (CPR), based on lessons learned in the context of the COVID-19 outbreak and its effects. The proposed amendments aim to:

- give greater flexibility to Member States to allow them to transfer resources between the Funds at any time during the programming period;
- provide mechanisms that could be called upon quickly in the event of further shocks to the Union in the coming years. This would allow the Commission to adopt implementing acts establishing temporary measures concerning the use of the Funds in exceptional and unusual circumstances, allowing: (i) an increase of 10 percentage points in interim payments; (ii) the selection of operations already completed; (iii) the retroactive eligibility of operations; (iv) the extension of deadlines for the submission of documents and data;
- allowing more flexibility to allow for the phasing of operations, as the COVID-19 outbreak has compromised the ability of beneficiaries to carry out operations supported under the 2014-2020 programmes. In this respect, it is proposed to lower the threshold for phasing operations over two programming periods to EUR 5 million.

Common provisions on European Regional Development Fund, European Social Fund Plus, Cohesion Fund, and European Maritime and Fisheries Fund and financial rules for those and for Asylum and Migration Fund, Internal Security Fund and Border Management and Visa Instrument 2021–2027

2018/0196(COD) - 14/01/2020 - Supplementary legislative basic document

PURPOSE: to introduce targeted amendments to the proposal for a Regulation laying down common provisions with a view to integrating the Just Transition Fund as a new Cohesion Policy Fund.

BACKGROUND: this amended proposal is presented in the context of the long-term strategic vision presented by the Commission for a climate-neutral economy by 2050. It extends the Communication on the [European Green Deal](#) in which the Commission proposed a Just Transition Mechanism to complement the legislative and budgetary proposals already presented for the period 2021-2027.

The Just Transition Mechanism includes a **Just Transition Fund** (JTF) implemented in the framework of cohesion policy. The Commission has proposed to establish the JTF by means of a specific regulation laying down its objective, its geographical coverage, the method for allocating financial resources and the content of the territorial Just Transition Plans necessary to underpin programming.

The overall management of the Fund shall be governed by the provisions laid down in the proposal for a Regulation laying down common provisions for the European Regional Development Fund, the European Social Fund plus, the Cohesion Fund and the European Maritime and Fisheries Fund and establishing financial rules for these Funds and for the Asylum and Migration Fund, the Internal Security Fund and the Border Management and Visa Instrument.

CONTENT: the main amendments proposed by the Commission relate to the following:

- clarification that the JTF shall support the specific objective of enabling regions and people to address the social, economic and environmental impacts of the transition towards a climate-neutral economy;
- providing that the ERDF, the ESF+, the Cohesion Fund and the JTF shall contribute to the actions of the Union leading to the strengthening of its economic, social and territorial cohesion and may provide joint support for programmes under the "Investment for jobs and growth" objective;
- adjustments to the content requirements for the Partnership Agreement and programmes receiving support from the Just Transition Fund. These set out in particular the obligation to submit territorial just transition plans, as defined in the proposal for a Just Transition Fund Regulation, as an annex to the programmes involving support from the Just Transition Fund;
- description of the mechanism and rules governing the obligatory transfer of ERDF and ESF+ resources to the Just Transition Fund, on the basis of the type of interventions to be supported;

- application of the provisions set out in the Common Provisions Regulation and in the proposal for a Just Transition Fund Regulation to the complementary ERDF/ESF+ resources to ensure that a single set of rules is applicable to all Just Transition Fund resources;
- explanation that the bases for the calculation of the thematic concentration requirements for the ERDF and the ESF+ do not include the amounts transferred from the ERDF and ESF+ as complementary resources to the Just Transition Fund.

The [legislative proposal](#), as well as this amendment of the Commission's proposal for the Common Provisions Regulation, will feed into the negotiation on the next MFF and expectedly will be integrated into the framework of an overall agreement on the next MFF.

Common provisions on European Regional Development Fund, European Social Fund Plus, Cohesion Fund, and European Maritime and Fisheries Fund and financial rules for those and for Asylum and Migration Fund, Internal Security Fund and Border Management and Visa Instrument 2021–2027

2018/0196(COD) - 23/06/2021 - Text adopted by Parliament, 2nd reading

The European Parliament adopted a legislative resolution **approving** the Council position at first reading with a view to the adoption of a regulation of the European Parliament and of the Council laying down common provisions on the European Regional Development Fund (ERDF), the European Social Fund Plus (ESF+), the Cohesion Fund, the Just Transition Fund (JTF) and the European Maritime, Fisheries and Aquaculture Fund (EMFAF) and financial rules for those and for the Asylum, Migration and Integration Fund (AMIF), the Internal Security Fund (ISF) and the Instrument for Financial Support for Border Management and Visa Policy (BMVI).

The **Common Provisions Regulation** (CPR) sets out, for the period 2021-2027, the financial rules for a range of funds under shared management which aim to help Member States strengthen their economic, social and territorial cohesion, reducing the gap between the levels of development of the various regions and the backwardness of the least favoured regions or islands.

Strategic objectives

The Common Provisions Regulation seeks to support 5 strategic objectives that reflect the main priorities of the EU:

- 1) **a more competitive and smarter Europe** by fostering smart and innovative economic transformation and regional connectivity to information and communication technologies (ICT);
- 2) **a greener, more resilient and low-carbon Europe** moving towards a carbon-free economy, by promoting a clean and fair energy transition, green and blue investments, the circular economy, climate change mitigation and adaptation, risk prevention and management, and sustainable urban mobility
- 3) **a more connected Europe** through better mobility;
- 4) **a more social and inclusive Europe** implementing the European set of social rights;
- 5) **a Europe closer to its citizens**, by promoting sustainable and integrated development of all types of territories and local initiatives.

Actions supported

The ERDF, the ESF+, the Cohesion Fund and the Youth Forum should contribute to actions aimed at strengthening the economic, social and territorial cohesion of the Union in accordance with the following aims:

- (a) '**Investment for jobs and growth**' in the Member States and regions, an objective supported by the ERDF, the ESF+, the Cohesion Fund and the Youth Forum; and
- (b) '**European territorial cooperation**' (Interreg), an objective supported by the ERDF.

The multi-annual investment projects financed by the funds should cover a wide range including transport infrastructure, hospitals and healthcare, clean energy, water management, sustainable urban development, research, innovation and digital transition, as well as employment programmes, social inclusion, education and training.

Budget

The resources for economic, social and territorial cohesion available for budgetary commitments for the period 2021-2027 under the multiannual financial framework amount to **EUR 330 234 776 621** in 2018 prices for the ERDF, ESF+ and the Cohesion Fund, and **EUR 7 500 000 000** in 2018 prices for the JTF.

These resources should be complemented by an amount of **EUR 10 000 000 000** from the EU Recovery Instrument to support recovery from the COVID-19 crisis for the purpose of the JTF Regulation.

Co-financing rates will be up to **85%** for the least developed regions, the Cohesion Fund, the Just Transition Fund and up to 80% for Interreg.

Climate action

The regulation sets **specific climate targets** for the ERDF and the Cohesion Fund (30% and 37% respectively) and ensures monitoring of respect for climate action contribution targets and an adjustment mechanism. Projects should also have to comply with the 'do no significant harm' principle, in line with the EU's environmental objectives.

Transfers and contribution to InvestEU

Transfers may be made to any other instrument under direct and indirect management, up to **5%** of the initial allocation. Transfers of up to **20%** of the initial allocation (up to 25% in very specific circumstances) may be made between the ERDF, ESF+ and the Cohesion Fund.

Simplified rules, governance and monitoring

The new legislation simplifies the rules, reduces red tape and ensures a more efficient use of resources. The Partnership Agreement should be simplified for all Member States.

In order to strengthen the link between cohesion policy and the European Semester of economic policy coordination, Member States should for the first time in 2024 carry out a mid-term review of each programme supported by the ERDF, ESF+, Cohesion Fund and the Youth Forum. The aim of this review will be to make a full adjustment of the programmes according to their performance.

Access to cohesion policy resources should be conditional on compliance with the **Charter of Fundamental Rights** of the European Union and the UN Conventions on the Rights of the Child and the Rights of Persons with Disabilities. In addition, gender mainstreaming and gender integration should be taken into account and promoted throughout the preparation and implementation of programmes.

The legislation also provides for an **effective monitoring mechanism for public procurement**, as well as greater transparency, with Member States providing more detailed information on the beneficiaries of funding.

Lastly, a new provision empowers the Commission to adopt specific measures in case of the occurrence of unusual events, outside of the control of one or more Member States.