

Basic information

2025/0084(COD)

COD - Ordinary legislative procedure (ex-codecision procedure)
Regulation

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

Amending Regulation 2021/1058 [2018/0197\(COD\)](#)

Amending Regulation 2021/1056 [2020/0006\(COD\)](#)

Subject

4.70.01 Structural funds, investment funds in general, programmes

4.70.02 Cohesion policy, Cohesion Fund (CF)

4.70.07 European Regional Development Fund (ERDF)

Procedure completed

Key players

European Parliament

Committee responsible

REGI Regional Development

Rapporteur

BENEA Dragoş (S&D)

Appointed

13/05/2025

Committee for opinion

SEDE Security and Defence

Rapporteur for opinion

TERRAS Riho (EPP)

Appointed

13/05/2025

EMPL Employment and Social Affairs

The committee decided not to give an opinion.

ENVI Environment, Climate and Food Safety

DECARO Antonio (S&D)

20/05/2025

ITRE Industry, Research and Energy

The committee decided not to give an opinion.

TRAN Transport and Tourism

HUMBERTO Sérgio (EPP)

27/05/2025

Committee for budgetary assessment

BUDG Budgets

Rapporteur for budgetary assessment

NERUDOVA Danuše (EPP)

Appointed

12/05/2025

Council of the European Union

European Commission	Commission DG	Commissioner
	Regional and Urban Policy	FITTO Raffaele
European Economic and Social Committee		
European Committee of the Regions		

Key events			
Date	Event	Reference	Summary
01/04/2025	Legislative proposal published	COM(2025)0123 	Summary
05/05/2025	Committee referral announced in Parliament, 1st reading		
06/05/2025	Urgent procedure requested by a committee		
25/06/2025	Vote in committee, 1st reading		
25/06/2025	Committee decision to open interinstitutional negotiations with report adopted in committee		
02/07/2025	Committee report tabled for plenary, 1st reading	A10-0129/2025	Summary
07/07/2025	Committee decision to enter into interinstitutional negotiations announced in plenary (Rule 71)		
09/07/2025	Committee decision to enter into interinstitutional negotiations confirmed by plenary (Rule 71)		
03/09/2025	Approval in committee of the text agreed at 1st reading interinstitutional negotiations		
09/09/2025	Debate in Parliament		
10/09/2025	Decision by Parliament, 1st reading	T10-0177/2025	Summary
10/09/2025	Results of vote in Parliament		
18/09/2025	Act adopted by Council after Parliament's 1st reading		
18/09/2025	Final act signed		
19/09/2025	Final act published in Official Journal		

Technical information	
Procedure reference	2025/0084(COD)
Procedure type	COD - Ordinary legislative procedure (ex-codecision procedure)
Procedure subtype	Legislation
Legislative instrument	Regulation
Amendments and repeals	Amending Regulation 2021/1058 2018/0197(COD) Amending Regulation 2021/1056 2020/0006(COD)
Legal basis	Rules of Procedure EP 58 Rules of Procedure EP 170-p5 Treaty on the Functioning of the European Union TFEU 175-p3

	Treaty on the Functioning of the European Union TFEU 322-p1 Treaty on the Functioning of the European Union TFEU 322-p2 Treaty on the Functioning of the European Union TFEU 177-p2 Treaty on the Functioning of the European Union TFEU 177-p1 Treaty on the Functioning of the European Union TFEU 178-p1
Mandatory consultation of other institutions	European Economic and Social Committee European Committee of the Regions
Stage reached in procedure	Procedure completed
Committee dossier	REGI/10/02606

Documentation gateway				
European Parliament				
Document type	Committee	Reference	Date	Summary
Amendments tabled in committee		PE773.414	26/05/2025	
Amendments tabled in committee		PE773.415	26/05/2025	
Amendments tabled in committee		PE774.292	27/05/2025	
Specific opinion	TRAN	PE774.307	03/06/2025	
Specific opinion	ENVI	PE773.339	05/06/2025	
Committee opinion	SEDE	PE774.437	17/06/2025	
Amendments tabled in committee		PE774.526	20/06/2025	
Committee opinion	BUDG	PE773.419	25/06/2025	
Committee report tabled for plenary, 1st reading/single reading		A10-0129/2025	02/07/2025	Summary
Text adopted by Parliament, 1st reading/single reading		T10-0177/2025	10/09/2025	Summary
Council of the EU				
Document type	Reference	Date	Summary	
Draft final act	00035/2025/LEX	17/09/2025		
European Commission				
Document type	Reference	Date	Summary	
Legislative proposal	COM(2025)0123 	01/04/2025	Summary	
Commission response to text adopted in plenary	SP(2025)10-27	27/10/2025		
National parliaments				
Document type	Parliament/Chamber	Reference	Date	Summary
Contribution	ES_PARLIAMENT	COM(2025)0123	17/06/2025	
Contribution	RO_SENATE	COM(2025)0123	25/06/2025	

Contribution	CZ_SENATE	COM(2025)0123	08/07/2025	
Contribution	DE_BUNDES RAT	COM(2025)0123	08/07/2025	
Contribution	IE_HOUSES-OF-OIREACTAS	COM(2025)0123	17/12/2025	

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
EESC	Economic and Social Committee: opinion, report	CES1236/2025	29/04/2025	
CofA	Court of Auditors: opinion, report	52025AA0002 OJ OJ C 23.05.2025	30/04/2025	

Additional information

Source	Document	Date
European Commission	EUR-Lex	

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

Other Members

Transparency		
Name	Date	Interest representatives
KATAINEN Elsi	12/06/2025	YARA BELGIUM S.A.

Final act

[Regulation 2025/1914](#)
[OJ OJ L 19.09.2025](#)

[Summary](#)

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

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

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

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

Specific objectives for the ERDF

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

- enhance **industrial capacities** to foster defence capabilities, prioritising capabilities of a dual-use nature;
- promote secure access to **water**, sustainable water management, including integrated water management, and water resilience;
- promote access to **affordable and sustainable housing**;
- promote **energy interconnections** and related transmission, distribution, storage and support infrastructure, as well as the protection of critical energy infrastructure and the deployment of recharging infrastructure;
- develop resilient **defence infrastructure**, prioritising dual-use infrastructure, including for military mobility within the Union, and enhancing civilian preparedness.

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

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

Thematic concentration

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

Additional support for eastern border regions

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

Financing of productive investments

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

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

Limitations

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

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

2025/0084(COD) - 19/09/2025 - Final act

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

LEGISLATIVE ACT: Regulation (EU) 2025/1914 of the European Parliament and of the Council amending Regulations (EU) 2021/1058 and (EU) 2021/1056 as regards specific measures to address strategic challenges in the context of the mid-term review.

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

Aligning investments with new priorities

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

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

Incentives and flexibility

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

Where a programme amendment is submitted to the Commission by 31 December 2025, the Commission will pay 20 % of the allocation to such dedicated priorities as set out in the decision approving the programme amendment as exceptional one-off pre-financing in addition to the yearly pre-financing for the programme. Where such dedicated priorities have been included in a programme amendment submitted to the Commission by 31 March 2025, the Commission will pay exceptional one-off pre-financing of 30 % of the allocation to those priorities as set out in the decision approving the programme amendment. By way of derogation, the maximum co-financing rates for dedicated priorities will be increased by **10 percentage points** above the co-financing rate applicable, not exceeding 100 %.

Additional support for eastern border regions

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

Small and medium-sized enterprises and disadvantaged regions

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

At the same time, so-called '**important Project of Common European Interest**' can receive funding without regional income limitations.

Limitations

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

ENTRY INTO FORCE: 20.9.2025.

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

2025/0084(COD) - 02/07/2025 - Committee report tabled for plenary, 1st reading/single reading

The Committee on Regional Development adopted the report by Dragoş BENEĂ (S&D, RO) on the proposal for a regulation of the European Parliament and of the Council amending Regulations (EU) 2021/1058 and (EU) 2021/1056 as regards specific measures to address strategic challenges in the context of the mid-term review.

By introducing targeted amendments to Regulations (EU) 2021/1056 and (EU) 2021/1058, the Commission proposes to use the mid-term review of cohesion policy to maximise its contribution to current and emerging policy priorities of the Union and increase its impact on economic, social and territorial cohesion.

The committee responsible recommended that the European Parliament adopt its position at first reading by amending the Commission's proposal as follows.

Specific objectives for the ERDF

The report specifies that the ERDF should support the achievement of the strategic objectives (SO) by:

- enhancing industrial capacities to foster **defence capabilities** prioritising dual use;
- promoting **secure access to water**, sustainable and integrated water management and water resilience;
- promoting access to **affordable and sustainable housing**;
- promoting **energy interconnectors** and related transmission, distribution and supportive infrastructure, as well as the protection of critical energy infrastructure and the deployment of recharging infrastructure;
- promoting **long-duration electricity storage** infrastructure, including pumped-storage hydropower plants, which contributes to energy system flexibility, renewable integration, and climate neutrality;
- developing resilient dual use infrastructure and capacities, including to foster **military mobility** in the Union, as well as enhancing preparedness;
- ensuring **civil preparedness** and resilience infrastructure in all types of territories;

- ensuring access to **public services**, including education and health, particularly in rural areas and regions experiencing population decline, to ensure that citizens have an effective right to stay in the place they call home.

Border regions

The report recommends that special attention and exceptional support be given to the EU's eastern border regions, bordering Russia, Belarus and Ukraine, given the unique security challenges they face and their geopolitical importance.

Defence

In the allocation and implementation of cohesion policy resources directed towards defence-related objectives, Member States should prioritise projects that promote employment, skills development and industrial diversification at regional level. Particular emphasis should be placed on supporting SMEs and regional clusters active in dual-use technologies, cybersecurity and artificial intelligence, ensuring that such investments serve the Union's strategic interests and the objective of economic, social and territorial cohesion.

Financing of productive investments

Furthermore, the possibilities for the financing of productive investments contributing to STEP objectives in enterprises other than SMEs, while preserving a focus on SMEs, should also be possible in **regions and Member States with a GDP per capita below the EU-27 average** where they facilitate industrial adjustment linked to digital transformation.

Construction, renovation and transformation of urban spaces

Members consider that cohesion policy should respond in a balanced way both to challenges in rural and peripheral regions and to the growing pressures in densely populated urban areas where the accelerated rise in housing prices and rents is causing social exclusion.

Cohesion funds must support integrated measures to build, renovate and transform urban spaces, including by converting unused buildings to homes. Interventions must be flexible, tailored to the local context and eligible for increased European co-financing in order to reduce the pressure on the budgets of local authorities.

Sustainable irrigation

Important investments should be made in infrastructure to ensure sustainable irrigation by means of advanced solutions, such as desalination, water reuse and blue biotechnology, and in water stress and drought prevention infrastructure, as well as in the deployment of nature-based solutions, ecological restoration and wastewater treatment.

Programme amendment

Any programme amendment or transfer of amounts that would be carried out should be without prejudice to the application of measures adopted pursuant to Regulation (EU) 2020/2092 and to the compliance of relevant programmes with horizontal enabling conditions in accordance with Regulation (EU) 2021/1060 laying down Common Provisions. Amounts that are suspended under Regulation (EU) 2020/2092 or withheld on the basis of horizontal enabling conditions should not be subject to amended programmes or transfers.

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

2025/0084(COD) - 01/04/2025 - Legislative proposal

PURPOSE: to refocus investments on critical priorities in the context of the mid-term review of cohesion policy.

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: the legal framework for cohesion policy programmes provides for a **mid-term review in 2025**, which offers Member States the opportunity to redirect resources from the 2021-2027 period towards investments in EU defence capabilities, competitiveness and strategic autonomy and other emerging priorities, including the objectives of the Clean Industry Agreement, by submitting corresponding programme amendments to the Commission. As the Union's main investment instrument within the Multiannual Financial Framework, cohesion policy plays a crucial role in supporting these priorities.

However, the framework for cohesion policy investments set out in the ERDF, Cohesion Fund and Just Transition Fund (JTF) regulations is not sufficiently aligned with these new priorities. Furthermore, additional flexibility is required to accelerate investment in these areas. This proposal sets out a number of adjustments to these regulations to achieve these objectives.

CONTENT: by introducing targeted amendments to Regulations (EU) 2021/1056 and (EU) 2021/1058, the Commission proposes to use the mid-term review of cohesion policy to **maximise its contribution to the current and emerging political priorities** of the Union and increase its impact on economic, social and territorial cohesion.

To facilitate the process, the Commission proposes amendments to the regulatory framework of the cohesion policy funds to: (i) align investment priorities with the evolving economic, societal and geopolitical context as well as with climate and environment objectives and (ii) introduce greater flexibility and incentives to facilitate the rapid deployment of resources and accelerate the implementation of the programmes.

The specific objectives of the proposal are as follows:

Competitiveness and decarbonisation

Given the role of businesses, regardless of their size, in steering research, innovation, knowledge and technology transfer, the Commission is proposing to extend the support of the European Regional Development Fund to large companies in critical areas, such as defence, strategic technologies, and decarbonisation. In addition, the Commission encourages Member States to increase investments in strategic technologies under the Strategic Technologies for Europe Platform (STEP), to boost Europe's competitiveness and innovation.

Defence and security

The Commission proposes to create two new specific objectives within the existing scope of the European Regional Development Fund (ERDF) to support defence. The first one will allow Member States and regions to reprogramme funds to enhance productive capacities in defence enterprises, regardless of their size and location. The second objective is to build resilient infrastructure to foster military mobility in the EU. This should in particular benefit the Eastern border regions of the Union.

To incentivise uptake, the resources reprogrammed for these specific objectives will benefit from an additional one-off pre-financing of 30% in 2026 and the possibility of up to 100% EU financing.

More affordable housing

To promote investments in affordable housing, including social housing and support to related reforms, three new specific objectives are introduced for the ERDF and one for the Cohesion Fund. For these specific objectives, the Commission will pay, in addition to the yearly pre-financing for the programmes, 30% exceptional one-off pre-financing based on the resources allocated to dedicated priorities and the maximum co-financing rate for dedicated priorities supporting these objectives is 100%. At the same time, it must be ensured that housing is climate resilient.

Securing access to water, sustainable water management and water resilience

Member States should increase investments in water resilience, including in the digitalisation of water infrastructure, mitigating the effects of drought and desertification. To help accelerate investments in the area of promoting secure access to water, sustainable water management and water resilience, the Commission will pay, in addition to the yearly pre-financing for the programmes, 30% exceptional one-off pre-financing based on the resources allocated to dedicated priorities supporting the specific objective and the maximum co-financing rate for dedicated priorities supporting these objectives is 100%.

Energy transition

In order to enhance energy security and accelerate the transition across the Union and also to promote clean mobility, a new specific objective should be created to promote energy interconnectors and related transmission infrastructure, and the deployment of recharging infrastructure from ERDF and Cohesion Fund resources.

Eastern border regions

Moreover, cohesion programmes in the Eastern border regions, disproportionately affected by the Russian war of aggression against Ukraine, will benefit from a preferential pre-financing level, if they move at least 15% of their overall funds to the newly introduced specific objectives and the Strategic Technologies for Europe Platform (STEP) objectives.

Deadlines for reprogramming

The proposal stated that Member States and regions should submit their amendments to the programmes within **two months** from the entering into force of the revised legislation. The Commission will assess the proposed amendments and engage closely with the authorities, in order to adopt the revised programmes.

Budgetary implications

The proposal concerns cohesion policy programmes under the 2021-2027 period and will result in **additional pre-financing** to be paid under the ERDF in 2026. Based on the estimated uptake of the proposal, the total additional pre-financing to be paid in 2026 amounts to **EUR 16.1 billion**. At the same time, taking into account payment forecasts and implementation shifts, the **net budgetary impact is estimated at EUR 3.6 billion**, which will be included in the draft budget 2026.

The possibility to apply for an increased Union financing rate for investments in defence, housing, water resilience, certain energy infrastructure and for programmes covering eastern border regions will also lead to a partial front-loading of payments, followed by lower payments at a later stage as the overall envelope is unchanged. The actual budgetary impact of the increased co-financing rate on an annual basis will depend on the Member States' uptake and the pace of submission of payment applications.

