



COHESION FUND

The Cohesion Fund, set up in 1994, provides funding for environmental and trans-European network projects in the Member States whose gross national income per capita is less than 90% of the EU average.

LEGAL BASIS

Article 177 (in particular the second paragraph thereof) of the Treaty on the Functioning of the European Union (TFEU).

OBJECTIVES

The Cohesion Fund was established for the purpose of strengthening the economic, social and territorial cohesion of the European Union in the interests of promoting sustainable development. For the 2014-2020 programming period it provides support to:

- Investment in the environment, including areas related to sustainable development and energy which present environmental benefits;
- Trans-European networks in the area of transport infrastructure (TEN-T);
- Technical assistance.

In the context of projects serving the EU's environmental protection objectives, the Cohesion Fund may also contribute in fields relating to sustainable development, such as energy efficiency, renewable energy and — in the transport sector outside the trans-European networks — rail transport, inland waterway transport, sea transport, intermodal transport systems and their interoperability, management of road, maritime and air traffic, clean urban transport and public transport.

As of 2014, the Cohesion Fund supports — with EUR 11.3 billion — transport infrastructure projects with European added value under the new Connecting Europe Facility (CEF)^[1].

ELIGIBLE COUNTRIES

The Cohesion Fund is reserved for Member States whose gross national income (GNI) per capita is less than 90% of the EU average. During the 2014-2020 programming

[1] Regulation (EU) No 1316/2013 of the European Parliament and of the Council of 11 December 2013 establishing the Connecting Europe Facility, amending Regulation (EU) No 913/2010 and repealing Regulations (EC) No 680/2007 and (EC) No 67/2010.



period, the Cohesion Fund is providing funding for 15 Member States: Bulgaria, Croatia, Cyprus, Czechia, Estonia, Greece, Hungary, Latvia, Lithuania, Malta, Poland, Portugal, Romania, Slovakia and Slovenia.

BUDGET AND FINANCIAL RULES

For the 2014-2020 programming period, the EU is allocating some EUR 63.4 billion to the Cohesion Fund (excluding transfers to the Connecting Europe Facility), and the level of financing from the Cohesion Fund for a project can amount to up to 85% of its cost.

The Cohesion Fund allocations for 2014-2020 per Member State

Member State	Budget (in EUR million)
Bulgaria	2 278.3
Czechia	6 258.9
Estonia	1 073.3
Greece	3 240.5
Croatia	2 559.5
Cyprus	288.9*
Latvia	1 349.4
Lithuania	2 048.9
Hungary	6 025.4
Malta	217.7
Poland	23 207.9
Portugal	2 861.7
Romania	6 934.9
Slovenia	895.3
Slovakia	4 168.2
Total	63 390

* Including the additional amount of EUR 19.4 million allocated to Cyprus and resulting from the review of eligibility for the Cohesion Fund for 2017-2020.

Source: European Commission ESIF open data portal, April 2017.

PROPOSAL FOR POST-2020 EU COHESION POLICY

In May 2018, the Commission published its proposals for the regulation of EU cohesion policy after 2020. These include a regulation on the European Regional Development Fund (ERDF) and on the Cohesion Fund. The Cohesion Fund will continue to support projects under the 'Investment for growth and jobs' goal.

This proposal maintains thematic concentration. The Cohesion Fund will support two specific objectives: a greener, low-carbon and circular economy (Policy Objective (PO) 2); and a more connected Europe (PO3). The Commission proposed a list of activities not to be supported by the ERDF and the Cohesion Fund, including direct



support to large enterprises, airport infrastructure (except in the outermost regions) and some waste management operations (e.g. landfill).

For the 2021-2027 programming period, the proposed allocation to the Cohesion Fund is EUR 41.3 billion, of which the contribution to the Connecting Europe Facility would be EUR 10 billion. The post-2020 Cohesion Fund will finance projects in the same 15 Member States as in the 2014-2020 programming period.

The Commission's proposal is subject to the ordinary legislative procedure, where Parliament is on an equal footing with the Council. This means that before the end of 2020, these two institutions will have to reach a consensus on the future rules for the Cohesion Fund. In March 2019, Parliament concluded its first reading.

ROLE OF THE EUROPEAN PARLIAMENT

The Cohesion Fund Regulation for the 2014-2020 period was subject to the ordinary legislative procedure and Parliament had full rights to propose amendments. This enabled Parliament to make the proposed rules more flexible and better suited to the needs of the Member States; it also managed to broaden the scope of Cohesion Fund investments to include investment in energy efficiency and renewable energy use, in particular in the housing sector.

Parliament supported the idea of introducing common indicators for the Cohesion Fund, which facilitate assessment of its use. It successfully insisted that, unlike the Commission proposal, the regulation should include the possibility of amending the list of these indicators, through delegated acts, where adjustments are deemed necessary in order to ensure effective assessment of progress with regard to implementation.

Following the mid-term review of the multiannual financial framework 2014-2020, which was accompanied by a package of legislative proposals, no substantial changes have been made to the Cohesion Fund.

Filipa Azevedo / Marek Kołodziejcki
04/2019

