

Cohesion, resilience and values

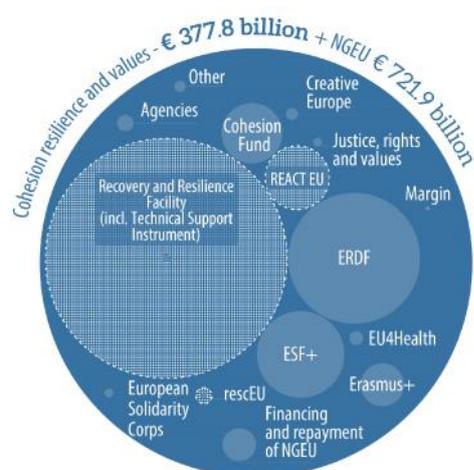
Heading 2 of the 2021-2027 MFF

SUMMARY

Heading 2 – Cohesion, resilience and values – is the biggest of the seven headings in the multiannual financial framework (MFF) for the 2021-2027 period in terms of budget. Since about 87 % of the heading falls under shared management and will be distributed to national envelopes, for the Member States it is a particularly important part of the MFF. It is also the most diverse heading in terms of the types of programme and fund included. It encompasses expenditure on cohesion, one of the EU's long-standing policies, on an entirely new budgetary instrument supporting economic recovery and resilience, and on other increasingly important goals, including youth, the creative sector, values, equality and the rule of law. Moreover, the bulk of the Next Generation EU instrument will be channelled through programmes under Heading 2.

This briefing presents Heading 2 in detail. It aims to provide some clarity on its structure and allocation, and is structured around three spending areas: cohesion; recovery; and citizens and values. In the 2021-2027 MFF, the allocation on economic, social and territorial cohesion (subheading 2a) – the budget for cohesion policy – is about 10 % lower than its equivalent, subheading 1b, in the 2014-2020 MFF. Additional resources from REACT-EU, a temporary instrument financed under the Next Generation EU instrument (NGEU), will lift the cohesion policy budget to a level comparable with the allocation under the previous MFF.

This is an update of a [briefing](#) from January 2019.



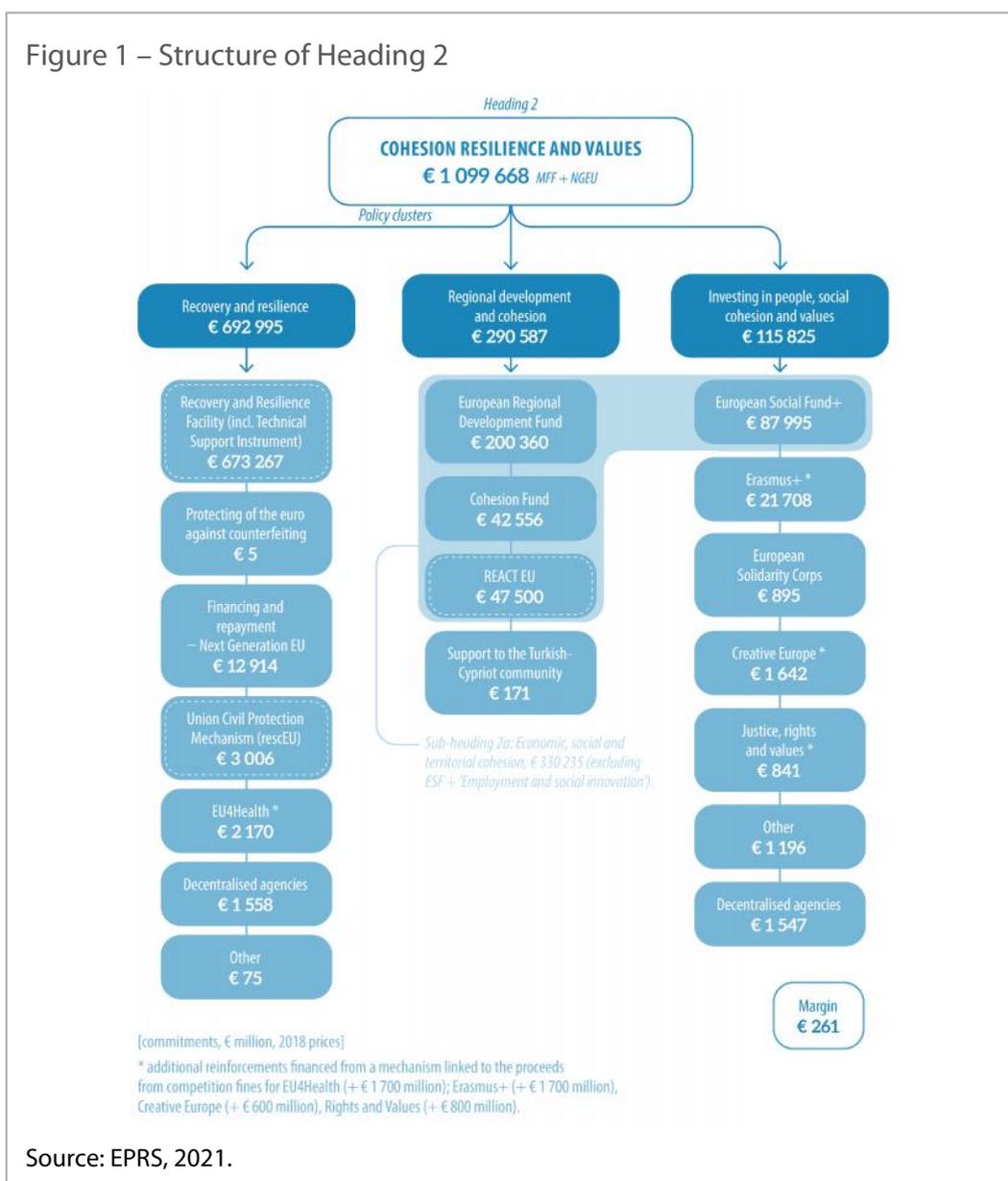
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Overall structure and allocation

The total agreed 2021-2027 multiannual financial framework amounts to €1 074 300 million in commitments (2018 prices).¹ This amount breaks down into seven categories, broadly representing EU priorities and referred to as headings. Heading 2 – Cohesion, resilience and values – totals €377 768 million and is the largest in the MFF (35.2 % of the total 2021-2027 MFF) (see Table 1). It covers a wide range of programmes, many of which were dispersed between different headings under the 2014-2020 MFF. They contribute to three main EU policy areas (also known as 'policy clusters'): regional development and cohesion; recovery and resilience; and people, social cohesion and values (see Figure 1).

In addition, Heading 2 will play an important role in the implementation of the EU's landmark recovery instrument – Next Generation EU (NGEU). Between 2021 and 2023, €721 900 million (in commitments), representing 96.3 % of the total NGEU, will be channelled under this heading through the following programmes: Recovery Assistance for Cohesion and the Territories of Europe (REACT-EU), the Recovery and Resilience Facility (RRF), and the Union Civil Protection Mechanism (rescEU). As a result, the MFF and the NGEU resources combined under Heading 2, amount to almost €1.1 billion and represent 60.3 % of the total resources available for the coming seven years.



For budgetary purposes the allocation under Heading 2 is divided into two subheadings, 2a for economic, social and territorial cohesion with a ceiling on commitment appropriations amounting to €330 235 million, and subheading 2b for resilience and values amounting to €47 533 million (Figure 2).² Amounts under the two subheadings are clearly ring-fenced, and appropriations and margins under one subheading cannot be used for expenditure in another. The allocation under heading 2a is an equivalent to sub-heading 1b: [Economic, social and territorial cohesion](#) in the 2014-2020 MFF, and often referred to as the budget for EU cohesion policy. Similarly to spending in the area of the common agricultural policy, the

cohesion budget falls under shared management between the European Commission and Member States, and is almost entirely pre-allocated to the Member States.³ It includes the European Regional Development Fund, the Cohesion Fund and the European Social Fund+ (except from the employment and social innovation strand, which is managed by the Commission).

Subheading 2b is more diverse and includes all remaining programmes, managed centrally by the European Commission. Among them are programmes supporting EU values and citizenship, such as Erasmus+, Creative Europe, and Justice and Rights (all previously under Heading 3: Security and citizenship), as well as instruments linked to EU economic recovery, such as the Technical Support Instrument, EU4Health programme, rescEU, and appropriations to cover the borrowing costs for the grant component of the NGEU. Furthermore, the biggest building block of the NGEU, the Recovery and Resilience Facility is placed under subheading 2b.

Table 1 –The 2021-2027 MFF – headings and their share in the MFF and in the MFF and NGEU combined

2021-2027 MFF (headings)	% of total MFF as proposed by the Commission (May 2020)	% of total MFF in the agreement	% of MFF+NGEU
1. Single market, innovation and digital	12.8 %	12.4 %	7.9 %
2. Cohesion, resilience and values	34.0 %	35.2 %	60.3 %
2a Economic, social and territorial cohesion	29.4 %	30.7 %	20.7 %
2b Resilience and values	4.7 %	4.4 %	39.6 %
3. Natural resources and environment	32.5 %	32.2 %	20.5 %
of which: market related expenditure and direct payments	23.5 %	24 %	14.1 %
4. Migration and border management	2.8 %	2.1 %	1.2 %
5. Security and defence	1.8 %	1.2 %	0.7 %
6. Neighbourhood and the world	9.3 %	9.2 %	5.4 %
7. European public administration	6.8 %	6.8 %	4 %
of which: Administrative expenditure of the institutions	5.2 %	5.2 %	3.1 %

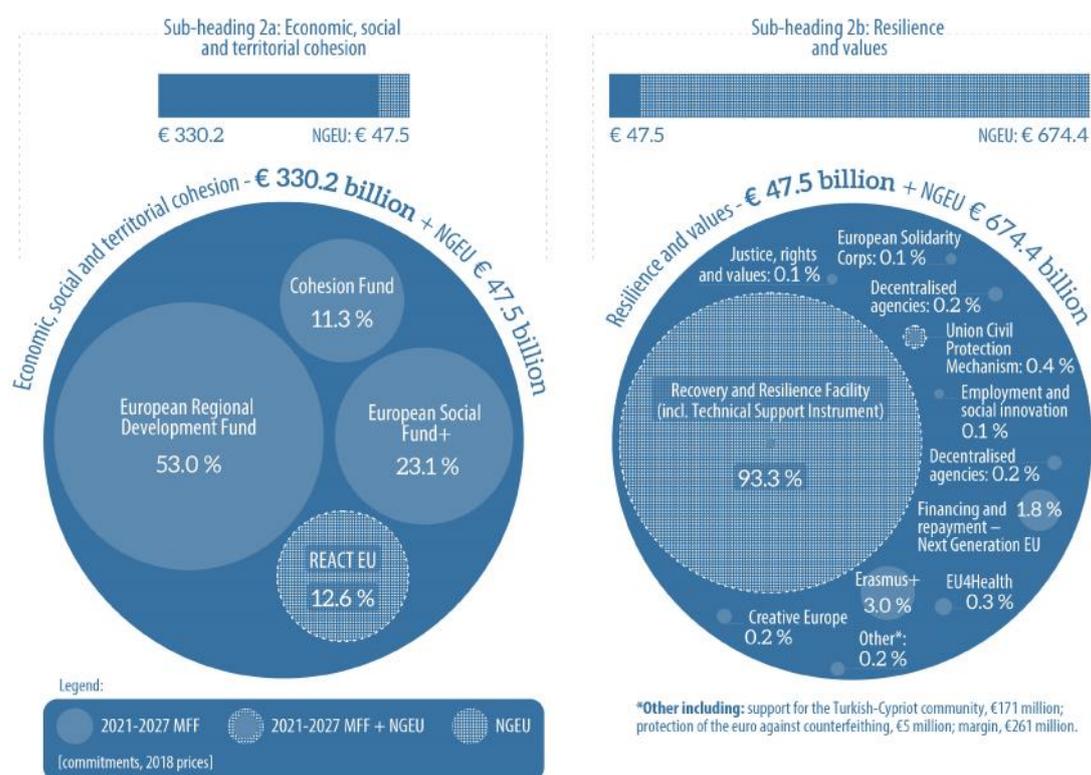
Source: EPRS, based on the European Commission [proposal](#) (2020) and the 2021-2027 MFF [agreement](#).

Allocation for economic, social and territorial cohesion

Negotiations

On 2 May 2018, the European Commission [proposed](#) the 2021-2027 MFF with spending on cohesion policy amounting to €330 642 million (see Figure 3). This represented a 10 % cut in real terms in comparison to 2014-2020 spending in this area.⁴ Some experts considered it a bold step towards rebalancing EU spending priorities in favour of such areas as innovation, competitiveness of the economy, and internal and external security.⁵ However, the defenders of cohesion policy, including the European Parliament, organisations representing regional and local communities and gathered under the [#CohesionAlliance](#), and a group of Member States known as the 'friends of cohesion policy'⁶ opposed the Commission's attempt to reduce the role of the policy and announced their intention to fight for the cohesion allocation to be brought back to, at least, the level of the 2014-2020 MFF. Therefore, in its negotiating position adopted on [14 November 2018](#), the European Parliament demanded €378 097 million for 'Economic, social and territorial cohesion'. This amount, in real terms, was close to the level under the 2014-2020 MFF and 14 % higher than in the Commission's proposal.

Figure 2 – Programmes and funds under subheadings 2a and 2b of the 2021-2027 MFF (share in total allocation for subheading under the MFF and NGEU).

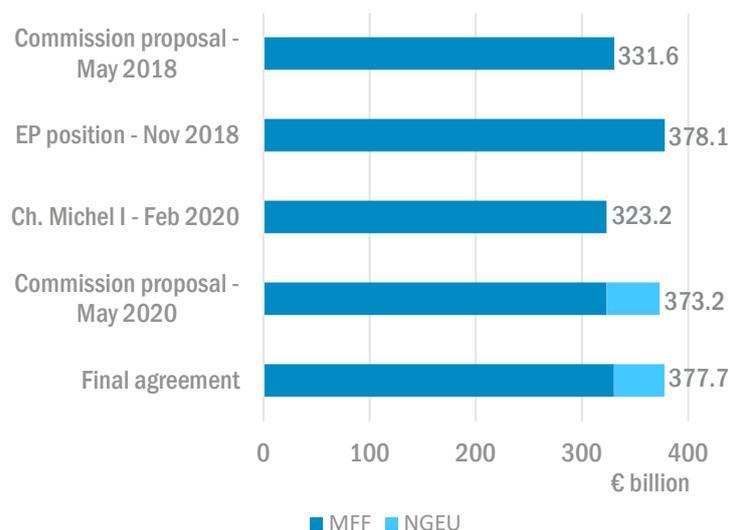


Source: EPRS, 2021.

When in February 2020, almost two years after the announcement of the Commission's proposal, the European Council gathered to discuss the details of the future MFF, European Council President Charles Michel proposed a [further cut](#) (-2 %) of the allocation for cohesion policy. However, the two-day negotiations [failed](#). Soon after that, the outbreak of the Covid-19 pandemic triggered radical changes in the EU's financial plans. In [May 2020](#), the Commission revised its proposal for the 2021-2027 MFF and linked it to the recovery instrument NGEU. In line with the version of the MFF proposed by Charles Michel in February, the Commission cut its own, earlier proposal by

€7 461 million (-2 %). At the same time, the Commission proposed to support the regions facing severe economic and social consequences of the Covid-19 pandemic with a €50 000 million new instrument financed from Next Generation EU – REACT-EU. However, even with these additional resources, the total envelope for cohesion policy would be still lower than in the 2014-2020 MFF.

Figure 3 – Allocation for subheading 2a: Economic, social and territorial cohesion – institutional positions during the negotiations on the 2021-2027 MFF and NGEU



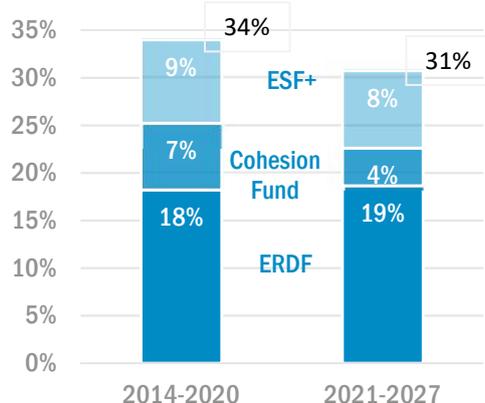
Source: EPRS, based on data presented in the animated infographic [Visualising the European Union 2021-2027 multiannual financial framework and the recovery instrument](#).

Agreement

In July 2020, as part of a compromise on the future MFF and NGEU, the EU Heads of State and Government [agreed](#) on the financing of cohesion policy and on the level of support for different policy goals and types of regions. The agreement was not changed as a result of the subsequent negotiations between the European Parliament and the Council and was sealed on [17 December 2020](#). It sets the 2021-2027 MFF ceiling for EU spending on subheading 2a: Economic, social and territorial cohesion at €330 235 million. The bulk of it – €329 785 million – will support the 'investment for jobs and growth' goal. The remaining €7 950 million is dedicated to the 'European territorial cooperation goal'. The total allocation is at a level approximating that of the Commission's first proposal (May 2018) and about 10 % lower than its equivalent, subheading 1b, in the 2014-2020 MFF. The cut can be seen as a step towards rebalancing EU spending and reducing the role of spending on cohesion, the share of which in the MFF has changed from 35.7 % in the 2007-2013 period to 33.9 % in 2014-2020⁷ and 30.7 % currently (see Figure 4).

In addition, extra resources financed from NGEU will support the regions the most affected by the crisis caused by the pandemic. The new instrument, known as [REACT-EU](#) and endowed with €47 500 million (€2.5 billion less than demanded by the Commission) for the years 2021 and 2022⁸ will complement actions under the ERDF and the ESF+.⁹ This temporary reinforcement, will lift the total cohesion policy budget to €377 735 million, a level comparable to the allocation under the 2014-2020 MFF ([€367.553 million, 2018 prices](#)).

Figure 4 – Share of the cohesion funds in the 2014-2020 MFF and in the 2021-2027 MFF



Source: EPRS, based on European Commission data, [2019](#) and [2021](#).

As far as the size of the individual funds is concerned, the changes to the budget for cohesion policy under the MFF affect them differently. While the ERDF increased slightly, the ESF+ and the Cohesion Fund decreased. The most dramatic cut hit the Cohesion Fund. Compared with the previous multiannual budget, its allocation was reduced by almost 44%.¹⁰ Furthermore, almost a quarter of the fund (€10 billion) has been ring-fenced for transport projects under the directly managed Connecting Europe Facility. As far as the ESF+ is concerned, its allocation¹¹ is almost 8% lower than before, despite the fact that the fund includes now the previous ESF, Youth Employment Initiative (YEI), and the Fund for European Aid to the most Deprived (FEAD), and despite its growing role as a key financial instrument for the implementation of the [European Pillar for Social Rights](#).

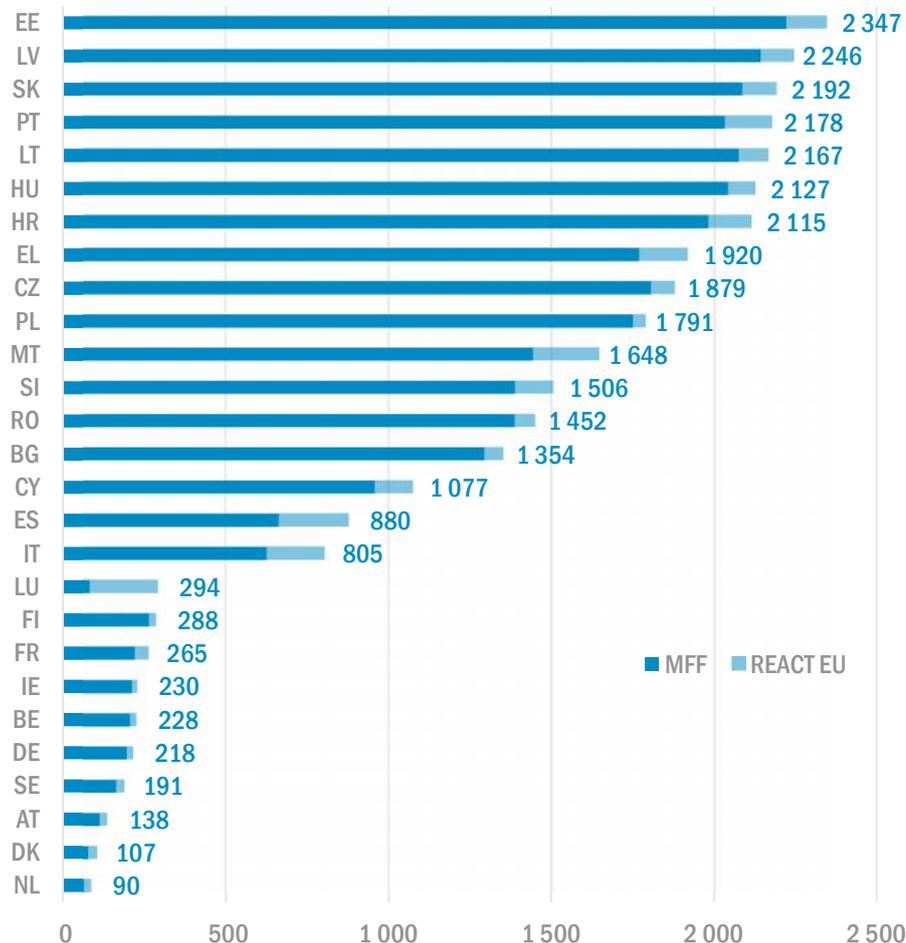
Cohesion policy allocation per Member State

The budget for EU cohesion policy under MFF subheading 2a is pre-allocated to the Member States (Figure 5).¹² The distribution of the three cohesion policy funds among the individual Member States and their regions¹³ is based on a set of rules included in the [Common Provisions Regulation](#),¹⁴ and in fund-specific regulations: for the [ESF+](#), and for the [ERDF and Cohesion Fund](#). A separate regulation sets out the rules for the distribution of the [REACT-EU](#). The Commission proposed to introduce some important changes to these rules on the implementation of the cohesion funds and the negotiations on the new provisions were conducted in ordinary legislative procedure in parallel with the MFF negotiations. [Political agreements](#) have been reached and formal approval by the Council and the European Parliament is expected by June 2021. The [legal basis](#) for REACT-EU was endorsed on 23 December 2020, however the financing and implementation are linked to [mobilisation](#) of the NGEU recovery instrument.

According to the data [provided](#) by the Commission, the biggest beneficiary of the cohesion funds under the 2021-2027 MFF in real terms remains Poland. Even though its allocation decreases in comparison with the previous MFF, Poland will receive 20% of the cohesion policy budget. The other countries on the list of the biggest beneficiaries are Italy (11.3%) and Spain (9.5%). However, the picture changes significantly if translated into the allocation per inhabitant (see Figure 5). The three biggest beneficiaries of cohesion policy per capita are Estonia (€2.221), Latvia (€2.141) and Slovakia (€2.085).

The [REACT EU](#) represents an important additional financial injection for the regions hit by the crisis. The size of this emergency instrument exceeds the size of the Cohesion Fund. Moreover, it has to be committed in a much shorter period than the cohesion funds. The 2021 tranche of REACT-EU, amounting to €37.5 billion, has been already allocated to the Member States and in some cases represents considerable reinforcement of their cohesion policy envelopes (+254% in Luxembourg, +36.8% in Denmark, +36.4% in the Netherlands, +32.7% in Spain).¹⁵ Contrary to the cohesion funds, implementation of measures under REACT-EU does not require additional resources from a Member State. They are 100% financed from the EU budget.

Figure 5 – Cohesion funds and REACT-EU (2021 tranche) in the Member States, 2021-2027 MFF and NGEU (€ per capita, 2018 prices).



Source: EPRS based on European Commission data ([cohesion funds](#), [REACT-EU](#)), 2021.

It is worth pointing out that in the coming years, in addition to the cohesion funds and REACT-EU, the Member States' pre-allocated envelopes will include the [Just Transition Fund](#) (€7 500 million under the MFF and €10 000 million under NGEU) and the [Recovery and Resilience Facility](#) (€672 500 million under NGEU). On top of this unprecedented and massive supply of EU resources, the Member States will have to continue implementing the cohesion funds programmed under the 2014-2020 MFF. At the beginning of 2021, only [about half](#) of the expenditure planned for 2014-2020 had been spent. Given the magnitude of the total means available (in some countries the overall subsidies available will represent a significant share of their GDP) and the limited time for their implementation (for example the RRF commitments have to be made before the end of 2023), there are concerns about absorption capacity, quality of spending and governance.¹⁶

Programmes dedicated to recovery and resilience

The Commission's 2018 proposal on the 2021-2027 MFF included a new instrument under Heading 2 linked to the functioning of the euro area – the [Reform Support Programme](#) (RSP). Together with the tiny [Pericles](#) programme to protect the euro against counterfeits¹⁷ it formed a new policy cluster under the MFF dedicated to economic and monetary union (EMU). The

Commission [explained](#) that, by incorporating instruments linked to EMU within the MFF, it wanted to strengthen the link between the EU budget and the European semester of economic policy coordination. However, in the revised version of the MFF proposal prepared after the outbreak of the pandemic, the Commission decided to rename this part of the budget 'Recovery and resilience' and include in it the main instrument for the EU's recovery, the Recovery and Resilience Facility and other instruments dedicated to supporting the EU's post-pandemic recovery process (see Figure 1).

In the 2021-2027 MFF eventually adopted, the RSP was withdrawn and its content replaced by a new [Technical Support Instrument](#). The €767 million allocated to the instrument will serve the Member States in designing and implementing social and economic reforms. Moreover, the instrument can be used by the Member States to prepare their recovery and resilience plans under the Recovery and Resilience Facility ([RRF](#)). The RRF, the biggest component of NGEU, also features in this part of the MFF structure. The 2021-2023 allocation for the RRF totals €672 500 million (€312 500 million for the grant component and €360 000 million for loans). It should be noted, however, that as is the case with the other budgetary programmes and funds reinforced with resources from NGEU, this temporary facility will be introduced to the EU budget as [external assigned revenue](#) and counted over and above the MFF ceilings.

By contrast, the interest costs and repayments of NGEU are counted as part of the overall MFF. It is estimated at €12 914 million for the seven years. The Parliament opposed the idea of counting it under the already stringent MFF ceiling, [arguing](#) that these resources should rather be used as a top-up for the EU flagship programmes or moved to the MFF margin and serve as an emergency reserve. While the idea was rejected by the Council, the Parliament's concerns were partly addressed in a [declaration](#) attached to the MFF agreement. It states that 'expenditures covering the financing costs of Next Generation EU shall aim at not reducing EU programmes and funds' under the MFF.

The other programmes contributing directly to the EU recovery and resilience under Heading 2 are the Union civil protection mechanism (rescEU) and EU health programme (EU4Health). Both programmes are managed by the European Commission. rescEU is a programme whose actions will be based largely on the NGEU contribution, as its budget comprises €1 106 million from the MFF and €1 900 million from NGEU. The EU4Health programme shows the most spectacular increase in comparison with the 2014-2020 MFF, defended by the Parliament. Previously a tiny part of the ESF (€400 million), in 2021-2027 it is a stand-alone programme with €5 007 million budget. This includes €3 400 million added to the programme following the political agreement between the European Parliament and Council on the 2021-2027 MFF reached on 10 November 2020. The top-up will be financed partly from the unallocated margins (€500 million) and partly from the new mechanism linked to the proceeds from competition fines (€2 900 million).

Programmes in the area of citizens and values

In addition to the cohesion funds and recovery instruments, Heading 2 includes a group of relatively small programmes managed centrally by the European Commission and contributing to the policy area 'Investing in people, social cohesion and values', i.e. the Erasmus+, European Solidarity Corps, Creative Europe, and Justice, Rights and Values programmes, and also the [employment and social innovation](#) programme (a directly managed strand of the ESF+). In the previous MFF they were dispersed under different headings. In the May 2018 proposal, in line with its political [decision](#) to give more priority to young people, to develop the social dimension of the EU, and to try to create a common sense of European values, the European Commission headed by Jean-Claude Juncker proposed considerable [increases](#) in funding for the programmes in this group. The European Parliament strongly [supported](#) this approach and asked for even higher allocations for some programmes. However, in July 2020 the Member States decided to downsize some of these increases. In the last phase of the negotiations with the Council, Parliament obtained a €15 billion top-up for [ten EU flagship programmes](#), part of which will power up the Erasmus+, Creative Europe and Rights and Values programmes.

At the July 2020 European Council meeting, Erasmus+, the biggest and the oldest programme among them, was allocated €21 208 million (€5 billion below the Commission proposal and almost €20 billion below what the European Parliament had called for in 2018). Based on the agreement with the European Parliament of 10 November 2020, this amount will be boosted by €2 200 million, [equivalent](#) to an annual allocation for the programme. Of this amount €500 million is financed from the unallocated margin and €1 700 million from competition fines (mechanism specified in Article 5 of the 2021-2027 MFF Regulation). As a result, the total envelope for Erasmus+ in the 2021-2027 MFF should reach €23 408 million, a sum almost 70 % higher than in the previous MFF. Consequently, the role of this highly [successful](#) programme as part of the EU budget amounts to 2 % and fits into the trend observed since the launch of the programme (0.03 % in 1988 and approximately 1.3 % under the 2014-2020 MFF). Still, this is much lower than the ambitious demand made by the European Parliament [in 2018](#), supported by Ursula von der Leyen in her [priorities](#) for the Commission, to triple the Erasmus+ budget in the new MFF.

The Commission's initial proposal, echoed in Parliament's position, to increase three-fold the allocation for the [European Solidarity Corps](#), was cut by 20 % as a result of the negotiations in the European Council. The programme will receive €895 million for actions focused on promoting the engagement of EU citizens and organisations in solidarity and volunteering activities.

[Creative Europe](#), the only EU programme focusing exclusively on cultural and creative activities and enterprise, was allocated €1 642 million. In addition, between 2022 and 2027 and similarly to Erasmus+, the Creative Europe programme will be bolstered with some €600 million from a top-up won by the European Parliament and financed from the mechanism linked to competition fines ([Article 5](#) of the Regulation on the 2021-2027 MFF).

In budgetary terms the smallest fund included in the policy area 'Investing in people, social cohesion and values' is the Justice, Rights and Values programme (€841 million). The fund comprises several small-scale initiatives, which were previously under Heading 3: Security and citizenship. It is divided into two main programmes, based on different regulations – the [Justice](#) programme with a budget of €272 million and the [Rights and Values](#) (citizens, equality, rights and values) programme amounting to €569 million. The allocation for the latter will be gradually reinforced with up to €800 million as part of the top-up for the EU flagship programmes and financed from the mechanism linked to competition fines. With this reinforcement total commitments under the Justice, Rights and Values Fund will be doubled and amount to €1 641 million in the 2021-2027 MFF.

Heading 2 includes also [Support for the Turkish-Cypriot community](#). The programme, which was under Heading 4: Global Europe in the 2014-2020 MFF, is directly implemented by the Commission. Its seven-year budget was cut by 10 % and totals €171 million.

About 1 % of the allocation under Heading 2 finances the functioning and activities of a number of decentralised EU agencies (€1 558 million in the area of recovery and resilience and €1 547 million in people, social cohesion and values). These include: the European Centre for Disease Prevention and Control, the European Medicines Agency, the European Safety Authority, the European Public Prosecutor's Office, the European Foundation for Improvement of Working and Living conditions, the European Labour Authority, the European Agency for Safety and Health at Work, the European Centre for the Development of Vocational Training, the European Union Agency for Fundamental Rights, the European Institute for Gender Equality and the European Training Foundation.

MAIN REFERENCES

Proposal for a Council Regulation laying down the multiannual financial framework for the years 2021-2027 ([COM/2018/322 final](#)), 2 May 2018.

Communication from the Commission, 'A Modern Budget for a Union that Protects, Empowers and Defends. The Multiannual Financial Framework for 2021-2027' ([COM/2018/321 final](#)), 2 May 2018.

European Parliament resolution of [14 November 2018](#) on the Multiannual Financial Framework 2021-2027 – Parliament's position with a view to an agreement.

Margaras V., [Common Provisions Regulation. New rules for cohesion policy for 2021-2027](#), EPRS, European Parliament, October 2018.

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Pasikowska-Schnass M., [Creative Europe programme 2021-2027](#), EPRS, European Parliament, 2018.

Post-2020 Multiannual Financial Framework, [Blog](#), EPRS, European Parliament, 2018.

Widuto A., [Reform Support Programme 2021-2027](#), EU Legislation in Progress, EPRS, European Parliament, 2018.

ENDNOTES

- ¹ All amounts are in constant, 2018 prices, unless otherwise stated. For detailed figures in constant and current prices see Table 1 in the annex.
- ² During the negotiations, Heading 2 was subject to many changes and adjustments. For an analysis of the European Commission first proposal see: M. Sapala, Cohesion funds, values and Economic and Monetary Union in the 2021-2027 MFF. European Parliament position on Heading 2 – Cohesion and values, [briefing](#), EPRS, European Parliament, May 2019.
- ³ For the data on the pre-allocations in the 2014-2020 MFF, see: European Commission, [Budget pre-allocations](#) [accessed on 22 March 2021].
- ⁴ All comparisons with the 2014-2020 MFF are based on the amounts adjusted for Brexit (EU-27) and budgetisation of the European Development Fund, as included in the European Parliament resolution of [14 November 2018](#).
- ⁵ J. Haas, E. Rubio and P. Schneemelcher, The MFF proposal: what's new, what's old, what's next?, Policy brief, Jacques Delors Institute, 21 May 2018.
- ⁶ As is usual in the negotiations on the EU's long-term budget, the Member States were divided on the issue of the size of the cohesion policy budget. While the net contributors to the EU budget (Austria, Denmark, Finland, the Netherlands and Sweden) supported a reduction, the main beneficiaries of cohesion policy (known as the 'friends of cohesion policy': Bulgaria, Croatia, Cyprus, the Czech Republic, Estonia, Greece, Spain, Lithuania, Latvia, Malta, Poland, Portugal, Romania, Slovakia, Slovenia, Hungary and Italy) were disappointed and expressed their disagreement with the proposal on various occasions. See the joint declaration on the 2021-2027 MFF, Prague, [5 November 2019](#), confirmed in Beja on [1 February 2020](#). For an analysis of Member States' positions see: J. Bachtler, C. Mendez and F. Wishlade, Reforming the MFF and Cohesion Policy 2021-27: pragmatic drift or paradigmatic shift?, [Research paper No 107](#), European Policies Research Centre, 2019.
- ⁷ European Union public finance, 5th edition, European Commission 2015, p. 110.
- ⁸ However, the expenditure incurred from 1 February 2020 is eligible and operations may be selected up to the end of 2023. See Regulation (EU) [2020/2221](#) on React-EU, 23 December 2020.
- ⁹ Soon after the outbreak of the pandemic, EU cohesion policy and its budget proved instrumental in providing emergency support for the most affected regions and businesses. REACT-EU is built on the Coronavirus Investment Initiatives (CRII and CRII+) that provided necessary financial liquidity and flexibility to use existing, unspent resources and re-direct them to where they were most needed. For more see: V. Margaras, Exceptional coronavirus support measures of benefit to EU regions, [Briefing](#), EPRS, European Parliament, December 2020.
- ¹⁰ When proposing the reduction, the Commission justified it by the fact that since EU enlargement in 2004 the goals of the Cohesion Fund have to a certain extent been achieved. See the intervention of E. Von Breska, Director at the European Commission DG Regio at the meeting of the Committee on Regional Development, European Parliament, [20 June 2018](#).
- ¹¹ Subheading 2a includes the shared management strand of the ESF+, which is pre-allocated to the Member States (€87 319 million). The rest is managed centrally by the European Commission under the Employment and Social Innovation Programme (EaSI), and is calculated as part of subheading 2b (€676 million).

- ¹² In accordance with the principle of additionality, the co-financing rates for cohesion policy investments in the 2021-2027 MFF are the following: 40 % for more developed regions; 50 % for more developed regions that were transition regions or had a gross domestic product (GDP) per capita below 100 % in the period 2014-2020; 60 % for transition regions; 70 % for transition regions that were less developed in 2014-2020; and 85 % for less developed regions.
- ¹³ The allocation for each region will depend on the outcome of the programming process, i.e. an in-depth analysis of development needs, potential, the country-specific recommendations issued by the European Union under the European Semester, and the socio-economic context.
- ¹⁴ For the 2021-2027 period, the common provisions regulation sets out rules for eight funds: ERDF, Cohesion Fund, ESF+, European Maritime and Fisheries Fund (EMFF), Just Transition Fund (JTF), Asylum, Migration and Integration Fund (AMIF), Border Management and Visa Instrument, and Internal Security Fund (ISF).
- ¹⁵ The remaining €10 billion will be distributed in 2022 based on the latest statistical data.
- ¹⁶ A. Eisl and E. Rubio, Spending EU subsidies well: a challenge for Member States, [Jacques Delors Institute](#), February 2021. See also: J. Bachtler, C. Mendez and F. Wislade, Will cohesion policy recover from Covid?, [EPRC blog](#); Next Generation EU: a threat to cohesion policy?, [CPMR technical note](#), December 2020; EU recovery plan faces bottlenecks, economists warn, [Financial Times](#), 5 January 2021.
- ¹⁷ The Commission proposed €7 million for the [Pericles programme](#). In the final agreement the allocation was reduced to €5 million.

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Annex

Table 1 – Heading 2: Cohesion, resilience and values in the 2021 to 2027 MFF, € million, 2018 prices)

Heading 2 – Cohesion, resilience and values Policy clusters	Sub heading	2021-2027 MFF	2021-2023 NGEU	Art. 5 of the MFF Regulation (part of the EP top-up)	Total
Total		377 768	721 900	6 000	1 105 668
Regional development and cohesion		243 087	47 500		290 587
European Regional Development Fund	2a	200 360			200 360
Cohesion Fund	2a	42 556			42 556
<i>of which contribution to the Connecting Europe Facility –Transport</i>		10 000			10 000
REACT-EU	2a		47 500		47 500
Support to the Turkish-Cypriot Community	2b	171			171
Recovery and Resilience		18 595	674 400	2 900	695 895
Technical Support Instrument	2b	767			767
Recovery and Resilience Facility	2b		672 500		672 500
<i>Of which grants</i>			312 500		312 500
<i>loans</i>			360 000		360 000
Protecting of the Euro Against Counterfeiting	2b	5			5
Financing and repayment of the NGEU	2b	12 914			12 914
Union Civil Protection Mechanism (rescEU)	2b	1 106	1 900		3 006
EU4Health	2b	2 170		2 900	5 070
<i>of which reallocation from the margin (part of the EP top-up)</i>		500			500
Decentralised agencies	2b	1 558			1 558
other	2b	75			75
Investing in People, Social Cohesion and Values		115 825		3 100	118 925
European Social Fund+	2a	87 995			87 995
<i>of which employment and social innovation</i>	2b	676			676
Erasmus+	2b	21 708		1 700	23 408
<i>of which reallocation from the margin (part of the EP top-up)</i>		500			500
European Solidarity Corps	2b	895			895
Creative Europe	2b	1 642		600	2 242
Justice, rights and values	2b	841		800	1 641
other	2b	1 196			1 196
Decentralised agencies	2b	1 547			1 547

Margin		261			261
Subheading 2a ERDF, Cohesion Fund, ESF+ (excl. employment and social innovation)		330 235			
Subheading 2b		47 533			

Source: EPRS, based on [European Commission](#), 2021.

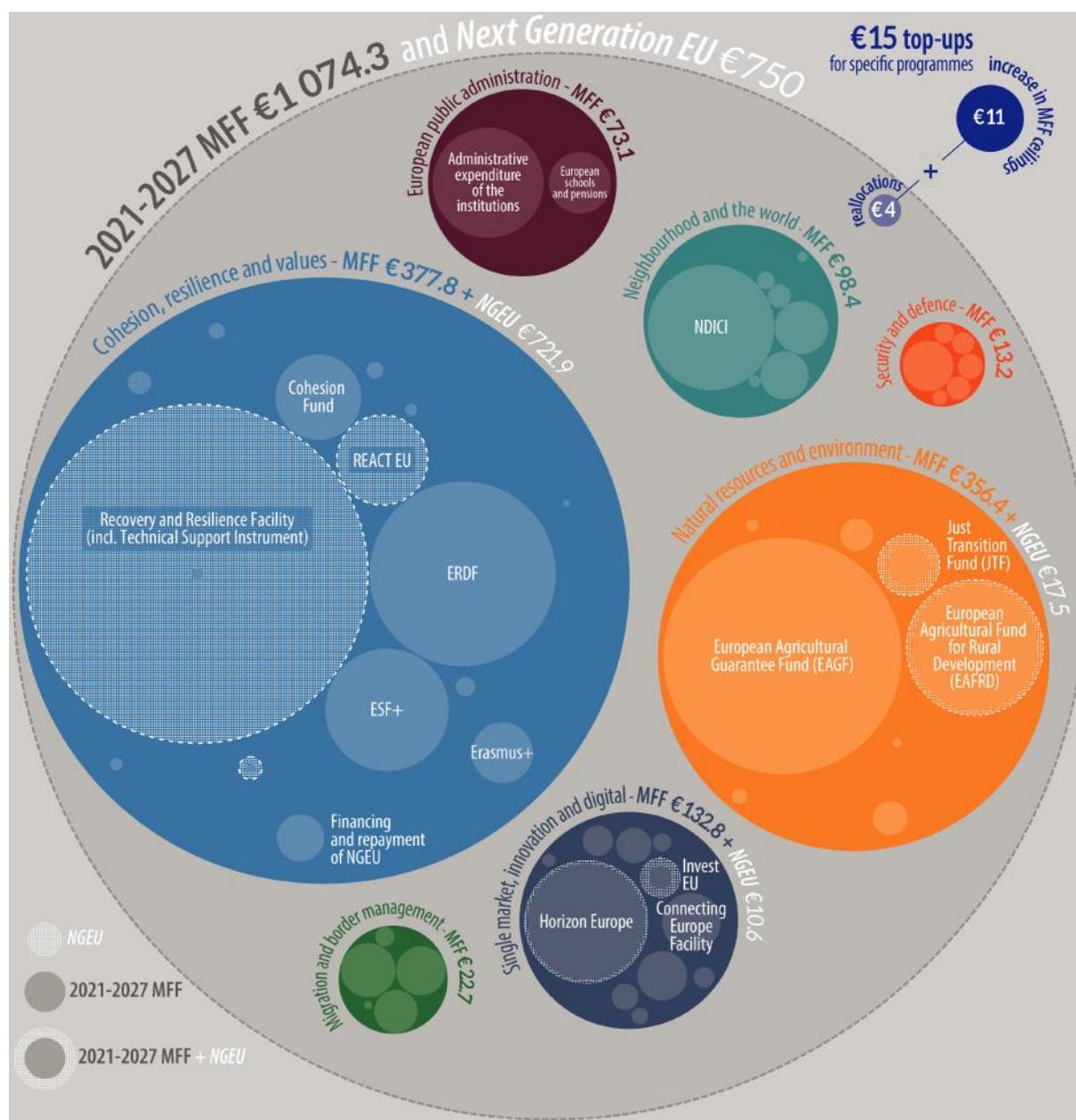
Table 2 – Heading 2: Cohesion, resilience and values in the 2021 to 2027 MFF (€ million, current prices).

Heading 2 – Cohesion, resilience and values Policy clusters, funds and programmes	Sub heading	2021-2027 MFF	2021-2023 NGEU	Article 5 of the MFF Regulation (part of the Parliament top-up)	Total
Total		426 694	776 500	6 838	1 210 032
Regional development and cohesion		274 267	50 620		324 887
European Regional Development Fund	2a	226 047			226 047
Cohesion Fund	2a	48 026			48 026
<i>of which contribution to the Connecting Europe Facility –Transport</i>		11286			11286
REACT-EU			50 620		50 620
Support for the Turkish-Cypriot community	2b	193			193
Recovery and Resilience		21 396	725 880	3 302	750 578
Technical Support Instrument	2b	864			846
Recovery and Resilience Facility			723 824		723 824
<i>Of which grants</i>			337 969		337 969
<i>loans</i>			385 855		385 855
Protecting the euro against counterfeits	2b	6			6
Financing and repayment of the NGEU		14 976			14 976
Union Civil Protection Mechanism (rescEU)		1 263	2 056		3 319
EU4Health		2 446		3 302	5 748
<i>of which reallocation from the margin (part of the EP top-up)</i>		564			564
Decentralised agencies		1 756			1 756
other	2b	84			84
Investing in people, social cohesion and values		130 726		3 536	134 262
European Social Fund+	2a	99 261			99 261
<i>of which employment and social innovation</i>	2b	762			762
Erasmus+	2b	24 574		1 938	26 512
<i>of which reallocation from the margin (part of the EP top-up)</i>		556			556
European Solidarity Corps	2b	1 009			1 009
Creative Europe	2b	1 842		686	2 528

Justice, rights and values	2b	947		912	1 859
other	2b	1 347			1 347
Decentralised agencies	2b	1 747			1 747
Margin		305			305
Subheading 2a ERDF, Cohesion Fund, ESF+ (excl. employment and social innovation)		372 572			
Subheading 2b		54 122			

Source: EPRS, based on [European Commission](#), 2021.

Figure 1 – 2021-2027 MFF and Next Generation EU (€ billion, 2018 prices) overview



Source: EPRS, 2021.