REPORT

on cohesion policy 2014-2020 - implementation and outcomes in the Member States
(2023/2121(INI))

Committee on Regional Development

Rapporteur: Andrey Novakov
## CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>EXPLANATORY STATEMENT - SUMMARY OF FACTS AND FINDINGS</td>
<td>4</td>
</tr>
<tr>
<td>MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION</td>
<td>10</td>
</tr>
<tr>
<td>ANNEX: ENTITIES OR PERSONS FROM WHOM THE RAPPORTEUR HAS RECEIVED INPUT</td>
<td>34</td>
</tr>
<tr>
<td>LETTER OF THE COMMITTEE ON AGRICULTURE AND RURAL DEVELOPMENT</td>
<td>35</td>
</tr>
<tr>
<td>INFORMATION ON ADOPTION IN COMMITTEE RESPONSIBLE</td>
<td>38</td>
</tr>
<tr>
<td>FINAL VOTE BY ROLL CALL IN COMMITTEE RESPONSIBLE</td>
<td>39</td>
</tr>
</tbody>
</table>
EXPLANATORY STATEMENT - SUMMARY OF FACTS AND FINDINGS

As a decade of cohesion policy investments draws to an end, the time has come to take stock of the policy’s implementation and achievements during the past programming period and to contribute to the reflection on its future.

Cohesion policy investments across the EU have resulted in unparalleled positive impacts on regions, cities, rural, border and remote areas. Directly or indirectly, every EU Member State has experienced the positive effects of financing through the EU budget. EU investments in transport infrastructure, energy, small and medium-sized enterprises (SMEs), skills, innovation, agriculture, reforms and other fields build the EU in times of peace and rebuild it in times of crisis. The multi-priority investment approach of cohesion policy, combined with its shared management have contributed to the EU’s priorities: SME support, research and innovation, digitalisation, farming, urban infrastructure, tourism, large transport infrastructure, culture and education, healthcare, cross-border projects, the energy transition, energy efficiency, climate and environment. The outcomes of the thousands of local projects confirm the indispensable role of regional investment through cohesion policy and consolidate its role and visibility in the multiannual financial framework.

Your rapporteur’s conclusions and recommendations are based on the wealth of available data on the implementation of the main cohesion policy funds 2014-2020 - European Regional Development Fund (ERDF), Cohesion Fund (CF), European Social Fund (ESF) and Youth Employment Initiative (YEI). Data is naturally scarcer on the cohesion instruments adopted as a response to the COVID-19 pandemic and the recent Ukraine and energy crises - the Coronavirus Response Investment Initiatives (CRII and CRII+), REACT-EU (Recovery Assistance for Cohesion and the Territories of Europe), CARE (Cohesion’s Action for Refugees in Europe), FAST-CARE (Flexible Assistance to Territories) and SAFE (Supporting Affordable Energy). This is because not enough time has passed to allow for proper insight. Nevertheless, your rapporteur believes that, despite certain limitations, some lessons can be drawn from a preliminary assessment of investments.

To draft this report, your rapporteur has examined not just the effectiveness of the implementation of 2014-2020 funds, but also the actual effectiveness of the policy: after all, an increased focus on performance and results was one of the key features of this period. In other words, beyond financial implementation, the rapporteur looked at available data on the actual results of the investments to try to determine how the available cohesion instruments have delivered on the cohesion objective enshrined in the Treaty, as well as on the priorities of the Union strategy for smart sustainable and inclusive growth.

This assessment exercise has meant that the rapporteur has grappled with the challenges that cohesion policy is facing, some of which have been extensively discussed by the Committee on Regional Development (REGI) in the last parliamentary term. Despite the policy overhaul that took place before the current programming period, cohesion policy is once again at a turning point: it has to compete with other instruments and delivery models, and is expected to deliver on a growing set of long-term priorities while being increasingly called on to respond to emergencies. The survival of cohesion policy will depend on a successful conclusion of the 2014-2020 period and an effective implementation of the 2021-2027 programmes, as well as on its ability to reinvent itself, adapt to a changing world and tackle
emerging challenges. The rapporteur’s intention is that the conclusions and recommendations of this report serve as input for the ongoing interinstitutional debate on these matters and thus help shape the future cohesion framework.

**Procedure and sources**

Your rapporteur has relied on the following sources, among others:

- discussions held in the REGI committee with the Commission and the permanent representatives of the Member States on the implementation of cohesion policy funds (an ongoing exercise that began in July 2022);
- publications by Parliament’s research services, including: Parliament’s PolDep B study on absorption rates (preliminary results);
- an analysis of available data, including the open databases on cohesion policy managed by the Commission’s Directorate-General for Regional and Urban Policy (DG REGIO), Cohesion Open Data Platform, the Coronavirus Dashboard and Kohesio;
- Commission sources, including the eighth report on economic, social and territorial cohesion and the annual implementation reports of the EU’s Structural and Investment (ESI) Funds;
- a European Parliamentary Research Service review of studies by other EU institutions, including the European Court of Auditors (ECA) and the European Investment Bank (EIB), policy papers and evaluations of the policies implemented by individual Member States;
- the work of the high-level group on the future of cohesion policy;
- the public hearing on simplification of cohesion policy held in the REGI Committee on 23-

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1 See, for example: ‘Financial Implementation of European Structural and Investment Funds’, June 2018; ‘Cohesion policy and climate change’, April 2021; ‘Cohesion policy in EU coal regions’, January 2023.
3 2022 and 2023 Summary reports of the annual programme implementation reports covering implementation 2014-2020 (COM(2023)0039, SWD(2023)0022, COM(2024)0006, SWD (2024)0002).
24 October 2023,
– the interparliamentary committee meeting on the future of cohesion organised by the REGI Committee on 7 November 2023,
– contacts with the Commission, managing authorities, regional and local authorities and other stakeholders.
Cohesion policy in the 2014-2020 period

A new framework

In the 2014-2020 period, a single set of rules was introduced to cover the EU’s five Structural and Investment Funds for reasons of coordination and complementarity, as well as in order to establish a robust link with the Union strategy for smart, sustainable and inclusive growth (Europe 2020 strategy). The ERDF, the CF and the ESF became one of the investment pillars of the 2020 strategy, while at the same time contributing to cohesion aims. Article 9 of the Common Provisions Regulation (CPR) translated the priorities of the Europe 2020 strategy into 11 thematic objectives (TOs), which each of the ESI Funds needed to support.

In addition, the ERDF, the ESF and the CF had the specific goal of supporting investment for growth and jobs in all categories of regions. The ERDF also supported the territorial cooperation goal.

To round up the strategic programming approach, the CPR created a stronger link with country-specific recommendations and provided tools and guidance to achieve synergies between the funds, such as the possibility of multi-fund programmes, integrated territorial investments (ITIs), community-led local development (CLLD) and joint action plans.

In addition, the new framework introduced new mechanisms to improve the policy’s effectiveness, such as the performance framework, the performance reserve and the ex ante conditionalities. It also included important simplification measures, made reporting requirements lighter, introduced e-cohesion and took some steps towards results-based management.

Lastly, the new framework enhanced the territorial dimension of the policy when compared to the previous programming period. The Common Strategic Framework annexed to the CPR and the European Code of Conduct on Partnership are an example of this.

Cohesion as a crisis response tool

From 2020, several major crises have shaken the EU and the wider world. The COVID-19 pandemic, the Russian war of aggression against Ukraine and the energy crisis it triggered have had a serious impact on people and businesses in all EU regions. Cohesion policy played a major role in the EU’s response to this difficult situation. In 2020, a series of amendments to the 2014-2020 rules, CRII and CRII+, granted Member States greater flexibility to use cohesion funds to support vulnerable people, businesses and the health sector. In 2021 extra funds were made available through REACT-EU to support future-oriented measures.

In 2022, the flexibilities introduced through CARE and FAST-CARE helped Member States reallocate available 2014-2020 funding to assistance for people fleeing Ukraine. The 2014-2020 framework was further modified by SAFE as part of RePowerEU. Thanks to this initiative, cohesion policy was able to help vulnerable households and SMEs cope with the sharp hike in energy costs resulting from the war in Ukraine.
Findings on implementation

The rapporteur has looked at the implementation of investments made under the 2014-2020 cohesion policy legal framework, based on Regulation (EU) No. 1303/2013. As of February 2024, the EU payments for the main funds through which the policy was delivered (the ERDF, the CF and the ESF), together with the Youth Employment Initiative (YEI), amounted to a total of EUR 368 billion for the 2014-2020 period, with an absorption rate of 91% (excluding national co-financing and REACT-EU).

For payments, the 2014-2020 period has followed the usual project life cycle, although more slowly. Payments started late and were slow at the beginning of the period (7.6 % by end 2016). Although they accelerated substantially from 2017 onwards, as of 2018, most Member States had slower payment rates than at the equivalent stage in the previous programming period. This is arguably due to the fact that the 2014-2020 framework was adopted fairly late, just a few days before its official start. Appointing national authorities and meeting the pre-requisites introduced for the ex-ante conditionalities also took longer than expected. The impact of the change to the decommitment rules (n+3) on the pace of implementation remains unclear.

As of 2020, implementation was affected first by the COVID-19 pandemic and then by the refugee and energy crises. The reprogramming effort under CRII(+) and the possibility of 100 % co-financing through CARE, among other measures, contributed to accelerating expenditure rates in 2020, 2021 and 2022. Still, at the end of 2022 the absorption rate (excluding REACT-EU) was just 77 %.

Expenditure has significantly caught up in 2023, so that a comparable implementation percentage has been reached as at the same point in 2007-2013. However, overall financial implementation has been slower than in the previous period. Several programmes face decommitments for not reaching their payments targets, and significant differences can be observed across Member States, regions and at TO level. Payments for transition regions tend to be slower, as does expenditure under TO5 (climate change adaptation), TO4 (low-carbon economy), TO11 (administrative capacity) and TO6 (environment).

For funding available under REACT-EU, to date, just about 50 % of the total available funds have been paid out to Member States. There is a risk, already pointed out by the ECA, that Member States are rushing to spend the available funding before the end of the period and paying insufficient attention to performance and value for money.

In terms of absorption patterns, roughly one third of Member States are late absorbers. While the current average payment rate in the EU is 91 %, some of the older and larger Member States are lagging significantly behind. The persistently low absorption patterns in certain

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10 Cohesion Open Data Platform, EU Payments database, consulted on 9 February 2024.
11 Cohesion Open Data Platform, REACT-EU, consulted on 9 February 2024.
Member States suggest underlying structural problems, which regularly result in great pressure on authorities towards the end of the programming period, and could eventually lead to unsatisfactory results and a lower effectiveness of investments, or to the loss of available funds.

We can therefore conclude that a slow spending rate is a major problem in certain Member States. Agreements on the multiannual financial framework (MFF) are reached late and this consistently delays the adoption of the regulatory framework for cohesion in each programming period. This should also be better tackled in future programming periods. In addition, previous analyses show that the delays in the spending of EU structural funds tend to accumulate across programming periods. Preliminary data on the 2021-2027 period indicate that absorption is even lower in the current cycle than in 2014-2020.

However, absorption is just one aspect of implementation. In his preparatory work for this report, your rapporteur has identified a series of additional factors\textsuperscript{12} that have influenced implementation and the effectiveness of cohesion policy in 2014-2020, including the complexity of rules and procedures, administrative burdens, the capacity of local and regional authorities, the price crises and the labour shortages that the EU has recently experienced. These are the basis for the recommendations in the motion for resolution.

Programming, reprogramming, implementation and closure of cohesion investments affect policy outcomes nationally but most of all locally, at regional and sub-regional level. The CPR for cohesion policy and the sectoral regulations covered by the CPR have been improved over time. The changes introduced to the 2021-2027 regulations addressed a number of challenges. However, one area of improvement that has not yet been sufficiently tackled is implementation at local level through local authorities, including municipalities. Therefore, your rapporteur has focused the report on recommendations for the local level.

\textsuperscript{12} A more thorough analysis on absorption barriers is provided, for example, in Parliament’s PolDep B study on absorption rates.
MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

on cohesion policy 2014-2020 - implementation and outcomes in the Member States (2023/2121(INI))

The European Parliament,

– having regard to Articles 174 and 349 of the Treaty on the Functioning of the European Union (TFEU),


– having regard to Regulation (EU) No 1299/2013 of the European Parliament and of the Council of 17 December 2013 on specific provisions for the support from the European Regional Development Fund to the European territorial cooperation goal⁴,


– having regard to Regulation (EU) 2020/558 of the European Parliament and of the

Council of 23 April 2020 amending Regulations (EU) No 1301/2013 and (EU) No 1303/2013 as regards specific measures to provide exceptional flexibility for the use of the European Structural and Investments Funds in response to the COVID-19 outbreak\(^7\) (Coronavirus Response Investment Initiative Plus),

\(^7\)OJ L 130, 24.4.2020, p. 1.


\(^8\)OJ L 109, 8.4.2022, p. 1.

– having regard to Regulation (EU) 2022/2039 of the European Parliament and of the Council of 19 October 2022 amending Regulations (EU) No 1303/2013 and (EU) 2021/1060 as regards additional flexibility to address the consequences of the military aggression of the Russian Federation FAST (Flexible Assistance for Territories) – CARE\(^9\),


– having regard to the Commission communication of 4 February 2022 on the 8th Cohesion Report: Cohesion in Europe towards 2050’ (COM(2022)0034),

– having regard to the Commission communication of 17 January 2023 entitled ‘Harnessing talent in Europe’s regions’ (COM(2023)0032),


– having regard to the Commission’s amended proposal of 12 December 2023 for a regulation of the European Parliament and of the Council on a mechanism to resolve legal and administrative obstacles in a cross-border context (COM(2023)0790),

– having regard to the Commission communication of 30 June 2021 entitled ‘A long-term Vision for the EU’s Rural Areas – Towards stronger, connected, resilient and prosperous rural areas by 2040’ (COM(2021)0345),

– having regard to the Territorial Agenda 2030 of the European Union, adopted at the Informal Meeting of Ministers responsible for Territorial Cohesion and/or Territorial Development on 1 December 2020,

– having regard to the 2022 report of the Intergovernmental Panel on Climate Change (IPCC) entitled ‘Climate Change 2022: Mitigation of Climate Change – Contribution of Working Group III to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change’,

– having regard to the IPCC special report of 2018 entitled ‘Global warming of 1.5 °C – An IPCC Special Report on the impacts of global warming of 1.5°C above pre-industrial levels and related global greenhouse gas emission pathways, in the context of strengthening the global response to the threat of climate change, sustainable development, and efforts to eradicate poverty’,
– having regard to the IPCC special report of 2019 entitled ‘Climate change and land: an IPCC special report on climate change, desertification, land degradation, sustainable land management, food security, and greenhouse gas fluxes in terrestrial ecosystems’,


– having regard to the agreement adopted at the 21st Conference of the Parties to the UN Framework Convention on Climate Change (COP21) in Paris on 12 December 2015 (the Paris Agreement),

– having regard to its resolution of 23 November 2023 on harnessing talent in Europe’s regions10,

– having regard its resolution of 9 May 2023 on the role of cohesion policy in addressing multidimensional environmental challenges in the Mediterranean basin11,

– having regard to its resolution of 15 September 2022 on economic, social and territorial cohesion in the EU: the 8th Cohesion Report12,

– having regard to its resolution of 15 September 2022 on EU border regions: living labs of European integration13,

– having regard to its resolution of 15 February 2022 on the challenges for urban areas in the post-COVID-19 era14,

– having regard to its resolution of 14 September 2021 entitled ‘Towards a stronger partnership with the EU outermost regions’15,

– having regard to its resolution of 20 May 2021 on reversing demographic trends in EU regions using cohesion policy instruments16,

– having regard to its resolution of 25 March 2021 on cohesion policy and regional environment strategies in the fight against climate change17,

– having regard to its resolution of 13 June 2018 on cohesion policy and the circular economy18,

– having regard to its resolution of 13 March 2018 on lagging regions in the EU19,

– having regard to the opinion of the European Committee of the Regions of

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10 Texts adopted, P9_TA(2023)0439.
12 OJ C 125, 5.4.2023, p. 100.
13 OJ C 125, 5.4.2023, p. 114.
15 OJ C 117, 11.3.2022, p. 18.
29 November 2023 entitled ‘The future of Cohesion Policy post-2027’

– having regard to the EU Annual Report on the State of Regions and Cities 2022,

– having regard to the study entitled ‘EU lagging regions: state of play and future challenges’, published by its Directorate-General for Internal Policies of the Union on 26 October 2020,

– having regard to Rule 54 of its Rules of Procedure, as well as to Article 1(1)(e) of, and Annex 3 to, the decision of the Conference of Presidents of 12 December 2002 on the procedure for granting authorisation to draw up own-initiative reports,

– having regard to the letter from the Committee on Agriculture and Rural Development,

– having regard to the report of the Committee on Regional Development (A9-0049/2024),

A. whereas in the 2014-2020 programming period, cohesion policy, as the EU’s main investment policy, effectively supported its Treaty-based objective of achieving economic, social and territorial cohesion across the EU; whereas cohesion policy was also an essential investment pillar of the Europe 2020 strategy, by contributing to its goal of achieving smart, sustainable and inclusive growth; whereas cohesion policy is the only development instrument that is geared towards regional and local needs and towards, inter alia, addressing the negative effects of climate change;

B. whereas climate change is impacting all EU regions, bringing about drastic changes to people’s lives; whereas climate change thus poses a significant threat to the Union’s cohesion;

C. whereas cohesion policy investments across the EU have resulted in unparalleled positive impacts on regions, cities, islands and rural, border and remote areas; whereas directly or indirectly, every EU Member State has experienced the positive effects of financing through the EU budget; whereas the outcomes of the multitude of local projects confirm the indispensable role of regional and local investment through cohesion policy and highlight its role and visibility in the multiannual financial framework (MFF);

D. whereas cohesion policy’s multi-priority investment approach, combined with its shared management, have contributed to the EU’s priorities, namely support for small and medium-sized enterprises (SMEs), research and innovation, digitalisation, rural development, better urban infrastructure, sustainable tourism, transport infrastructure, culture and education, healthcare, social policies, cross-border projects, the energy transition, energy efficiency, the climate and the environment;

E. whereas through instruments such as the Coronavirus Response Investment Initiative and Initiative Plus (CRII and CRII+), Cohesion's Action for Refugees in Europe (CARE), Flexible Assistance to Territories (FAST-CARE) and Supporting Affordable

Energy (SAFE), cohesion policy has acted as a structural bulwark against the many successive crises that have hit the Union throughout the 2014-2020 programming period, such as the COVID-19 pandemic, during which it safeguarded jobs and helped businesses that had been hit, and the refugee, energy and inflation crises caused by Russia’s war of aggression against Ukraine;

F. whereas cohesion policy binds the EU together; whereas reducing its budget and/or renationalising it could weaken the EU and fuel anti-EU sentiment across the Union;

G. whereas the European urban agenda, which builds on the Leipzig Charter, supports the objectives of the Territorial Agenda 2030;

H. whereas the challenges facing European regions are identified and managed at the territorial level; whereas the repeated use of cohesion policy to respond to crises and emergencies is putting the policy’s viability at risk; whereas the European Court of Auditors has pointed out that the effects of this constant erosion of cohesion resources on the long-term objectives of the policy need to be carefully analysed\(^2\);

I. whereas cohesion policy is a long-term investment policy and should not become a first-choice source of emergency funding to address any challenge or unforeseen event, as this undermines the policy’s strategic approach; whereas clear rules should be established on the use of cohesion policy funds to ensure both a structural approach and the need to face unforeseen events;

J. whereas there are an increasing number of funds and instruments scattered under different legal and strategic frameworks, in particular the Recovery and Resilience Facility (RRF), which pursues cohesion priorities under a different legal framework and delivery model, and the European Agricultural Fund for Rural Development (EAFRD), which is no longer a part of the European Structural and Investment Funds (ESI Funds);

K. whereas a creeping erosion of the policy is taking place, with the emergence of thematic funds and initiatives that support particular sectors or goals and rely on contributions from cohesion policy, such as the Strategic Technologies for Europe Platform, the Act in Support of Ammunition Production, the Recovery assistance for cohesion and the territories of Europe (REACT-EU) and RePowerEU; whereas this dilutes the territorial approach of the policy;

L. whereas the efficient management of the cohesion policy funds is crucial to meeting regional and local development objectives and needs;

M. whereas the system for monitoring cohesion policy funds was mainly designed to detect errors, but does not detect fraud so easily;

N. whereas the fight against fraud must be based on increased and direct cooperation between the services of the Commission and the European Public Prosecutor’s Office; whereas the absence of a clear distinction between error, anomaly and fraud considerably complicates and makes more cumbersome the management and

implementation of cohesion policy;

O. whereas the delayed adoption of the 2021-2027 MFF, the multitude of recent crises and the introduction of the NextGenerationEU instruments hindered the speedy implementation of cohesion policy across the EU, caused programming and delivery challenges and introduced uncertainty into planned regional and local EU investments;

P. whereas since legal basis for the RRF is Article 175 TFEU, the Member States and the Commission should have pursued the objectives of economic, social and territorial cohesion and effectively coordinated with cohesion policy;

Q. whereas in many cases, the Member States implemented the RRF concurrently with cohesion policy, often without consulting or cooperating with local and regional authorities, even to take stock of what had been implemented; whereas the EU’s regions are often more willing and able than the Member State governments to implement this funding;

R. whereas the last implementation phase of the 2014-2020 MFF was especially demanding, as the end of the programming period, the additional funding provided in response to the recent crises, including through NextGenerationEU, and the beginning of the 2021-2027 programming period overlapped in time and put additional strain on national, regional and local administrations, which slowed the pace of implementation and negatively affected their monitoring and auditing abilities; whereas, according to the European Court of Auditors, the pressure to spend large amounts in a very short period of time may have unfortunately contributed to an increase in irregular spending23;

S. whereas the implementation rates for cohesion policy differ significantly among Member States and among funding programmes; whereas certain Member States and regions have consistently low implementation rates, which necessitates that further attention be paid to the efficiency of these programmes’ management;

T. whereas despite the regulatory improvements introduced in the 2014-2020 programming period and the improvements to the 2021-2027 regulatory framework, a number of challenges still remain; whereas the policy has proven to be very complex to implement for the managing authorities, competent local and regional bodies and final beneficiaries;

U. whereas public procurement rules in many Member States, alongside additional national auditing and monitoring, generate an additional burden for managing authorities and beneficiaries;

V. whereas, while following a strategic approach throughout the programming period is of the utmost importance, it should be possible to reassess and adjust this approach midterm; whereas, nevertheless, a sufficient degree of flexibility in cohesion policy’s programming is needed to address unexpected events that occur during the programming period;

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23 European Court of Auditors, ‘Annual report on the implementation of the EU budget for the 2022 financial year’, 5 October 2023.
W. whereas cohesion policy funding should comply with the Charter of Fundamental Rights of the EU, the principles of the rule of law, and the European code of conduct on partnership;24

X. whereas the principles of multilevel governance and partnership need to be significantly strengthened to effectively involve the local and regional level in the programming, reprogramming and implementation of EU funds;

Y. whereas cohesion policy has effectively helped to reduce disparities over the years, but, as made clear by the eighth cohesion report, some inequalities persist among Member States, among and within regions, among different types of areas (as referred to in Articles 174 and 349 TFEU), and within the richest urban areas; whereas new disparities, such as the regional innovation divide, have also emerged;

Z. whereas the outermost regions and island territories with the status of overseas countries and territories face a significant number of structural constraints and are less developed than the continental regions of their Member States; whereas a stable and predictable regulatory environment is particularly important for the efficient management of cohesion policy funds in these regions;

AA. whereas the green and digital transitions are moving at very different speeds across the EU and should be properly managed to avoid adverse impacts on certain regions and even greater disparities;

AB. whereas while eastern EU regions have been catching up, other regions, especially in the southern EU, have stagnated; whereas certain regions are caught in a development trap, characterised by long periods of slow or negative growth, with low productivity and low levels of job creation;

AC. whereas the Russian war of aggression against Ukraine has particularly affected the EU’s eastern border areas;

AD. whereas demographic ageing in the EU as a whole has led to a shrinking working-age population; whereas several EU regions are facing the ongoing departure of their young and skilled workers; whereas rural, peripheral, outermost and industrial-transition regions in the EU are particularly affected by these worrying demographic trends; whereas these trends, if left unaddressed, will have undesirable long-term effects on the EU;

AE. whereas EU pre-accession and enlargement processes require a well-balanced and targeted role for regional development and cohesion policy;

**Outcomes**

1. Notes that evaluations carried out by the Member States on the outcomes of 2014-2020 cohesion policy investments show that, in general, cohesion policy brought about

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positive results in the areas that it supported\textsuperscript{25,26}; acknowledges that such investments have contributed to the Europe 2020 strategy objective of smart, sustainable and inclusive growth;

2. Welcomes cohesion policy’s contribution to research and innovation, as it, among other things, strengthened cooperation between the research community and businesses and helped turn research into marketable products or services; notes that, according to the Commission’s figures, by the end of 2022, more than 75 000 companies had cooperated with research institutions and around 37 000 had introduced new products to the market thanks to support through the European Regional Development Fund (ERDF)\textsuperscript{27}; notes in addition that, by the same date, more than 72 000 researchers were working in better facilities\textsuperscript{28}; underlines that cohesion policy has also helped bridge the digital divide between regions by supporting the development of information and communications technology infrastructure in less-developed regions; welcomes the fact that, as a result, 7.8 million households had been provided with better broadband access by the end of 2022\textsuperscript{29};

3. Points out that cohesion policy support has also brought tangible benefits to thousands of SMEs; stresses that this has been one of the best performing areas of ERDF support; underlines that the ERDF had provided support to more than 2.2 million businesses by the end of 2022, which created around 370 000 jobs\textsuperscript{30}; notes that evaluations carried out in Czechia, Poland, Germany, the Netherlands and Austria contain examples of SMEs that have become more competitive and innovative, increased their productivity and gained better access to international markets\textsuperscript{31};

4. Underscores that cohesion has also played an essential role in the transition to a low-carbon economy; notes that reducing energy consumption in buildings is a major component of this shift and that support from cohesion policy in this area has already borne fruit; welcomes the fact that evaluations by the Member States show that measures to improve energy efficiency have been effective across the EU\textsuperscript{32}; notes that, by the end of 2022, the ERDF had helped to improve the energy efficiency in 550 000 households; highlights that there is evidence that cohesion policy supported investments in several coal regions that contributed to decarbonisation; notes that in Asturias, Spain, efforts focused on youth and female employment in rural areas, with the aim of incentivising entrepreneurship and social inclusion; also notes that in the region of Yugoiztochen, in Bulgaria, cohesion policy funds have focused on energy efficiency,
the modernisation of SMEs and the promotion of skills development; acknowledges that measures aimed at renewable energy production have increased renewable production capacity in the EU by 6,000 MW by the end of 2022, with a target of 8,700 MW by the end of 2023; notes that positive results have been reported in this area, for example in Estonia and regions of France.

5. Underlines that evaluations of efforts related to climate change adaptation and risk prevention show the need for cooperation across borders to make measures financed by cohesion policy truly effective; underlines that some countries have already implemented joint risk prevention and civil protection measures, notes that such cooperation has occurred between Italy and France, Czechia and Poland, and Italy and Austria; stresses that, in regard to climate change adaptation, thanks to cohesion investments 29 million people are now less exposed to flooding.

6. Notes that cohesion support from the ERDF and the Cohesion Fund has also increased the number of people benefiting from a better water supply (8.3 million people by the end of 2022) and better management of their municipal waste; notes that most of the targeted beneficiaries (70%) of the measures to improve water supply live in Italy, Romania, Greece, Portugal, Bulgaria and Czechia; also notes that in France and Belgium, cohesion-funded projects have helped boost the circular economy.

7. Stresses that energy and transport networks have received significant investments from the ERDF and the Cohesion Fund; notes that, although the impact of this kind of infrastructure project can only be properly assessed in the longer term, according to evaluations carried out in Poland and Czechia, some of the investments in road and rail infrastructure have already resulted in fewer road accidents, reduced travel times and less pollution; welcomes the fact that, in Slovakia, the modernisation of tram lines has improved connections, reduced travel time, improved safety and helped to reduce noise and vibrations; notes that, in addition, financed natural gas projects in Member States such as Poland and Bulgaria have contributed to the strategic objective of diversifying their energy supply; welcomes the fact that the Greece-Bulgaria gas interconnector in Bulgaria, supported by the ERDF, started operating in October 2022 and is contributing to the EU’s strategic aims of energy supply autonomy and source diversification.

8. Acknowledges that cohesion, especially through the European Social Fund (ESF) and the Youth Employment Initiative, has supported successful employment, social

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35 SWD(2023)0022.
36 SWD(2023)0022, p. 13.
40 Idem.
41 SWD(2024)0002, p. 9.
inclusion and educational and vocational training measures; stresses that by the end of 2022, 6.8 million people had found a job thanks to measures supported by the ESF and the Youth Employment Initiative, and 10.2 million people had earned a qualification  

9. Underlines that evaluations from Member States such as Italy, Germany, Poland and Ireland have shown that people, especially young people, who participated in training measures, apprenticeships or traineeships supported by cohesion policy funds were significantly more likely to find jobs; notes that Poland and Ireland achieved good results with projects aimed at the long-term unemployed; also notes that an evaluation of the 2014-2020 Youth Employment Initiative carried out in Hungary found that the programme had contributed significantly to the probability of participants being employed in the short term, but that this impact was declining with time; stresses that another evaluation from Hungary concluded that the labour market integration support schemes financed through the ESF had a positive and substantial impact on finding employment; notes that an evaluation of the Youth Employment Initiative carried out in Sweden found overall positive effects on employment for participants, especially those with a foreign background; stresses that training measures for both pupils and teachers have had a positive impact on early school-leaving rates, for example in Germany, Portugal and Spain;  

10. Notes that the ESF has helped entrepreneurs launch new businesses and provided training so that companies can better adapt to changes in the market; underlines that the ESF programme in Thuringia, Germany dedicated to strengthening entrepreneurship has supported, among other projects, the Thuringian Centre for Start-ups and Entrepreneurship; acknowledges that, by the end of 2021, the centre had helped approximately 2,900 people start a new business in the region; notes that refugees and migrants arriving in Luxembourg had access to a dedicated entrepreneurship programme supported by the ESF;  

11. Stresses that, through cohesion policy financial support for projects in the healthcare sector, mainly through ESF and ERDF investments, 58.3 million people had access to improved healthcare services across the EU by the end of 2022; underlines that, in Lithuania, for example, cohesion-funded projects have managed to reduce the risk of

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45 SWD(2023)0022, p. 15.  
49 SWD(2023)0022, p. 16.  
cardiovascular diseases and the suicide rate⁵³;

12. Welcomes the cohesion policy contribution to territorial cooperation; notes that this specific goal of the ERDF helped fund cross-border transnational and interregional projects in areas such as research, development and innovation and the environment; underlines that, as reported by the Commission, without this specific cohesion support, most of these cooperation projects would not have taken place; stresses that, by the end of 2022, more than 40 000 businesses had participated in cross-border transnational or interregional research projects, and around 178 000 people had benefited from cross-border mobility initiatives⁵⁴; points out that, according to recent evaluations compiled by the Commission, there are examples of successful cooperation on thematic issues, such as information and communications technology projects related to smart cities in Greece and Cyprus⁵⁵; notes, in addition, that the Sweden-Finland-Norway Botnia-Atlantica programme has increased knowledge on sea and coastal areas protection⁵⁶; underlines that the impact evaluation of the 2014-2020 Central Europe Interreg programme ⁵⁷, comprising Austria, Croatia, Czechia, Germany, Hungary, Italy, Poland, Slovakia and Slovenia, showed that, by end of 2021, the programme had had positive outcomes in the fields of innovation, low carbon, the environment, culture and transport; welcomes the fact that the Romania-Serbia Interreg programme also contributed to strengthening the cooperation between both countries in all relevant areas⁵⁸; and that the Croatia-Serbia programme has supported renewable electricity production and increased energy efficiency⁵⁹; draws attention to the positive results of the Sweden, Denmark and Norway Interreg programme in the area of the green economy⁶⁰;

13. Welcomes cohesion policy’s response to the latest crises; notes that more than 300 CRII and CRII+ programme amendments were adopted, resulting in almost EUR 28 billion⁶¹ in funds being redirected to tackle the consequences of the COVID-19 crisis; underlines that EUR 13 billion was redirected to provide business support to the companies most affected by the COVID-19 crisis⁶²; notes that only a few evaluations have been carried out in this area so far; notes, however, that, in the Netherlands, Malta and France (Grand Est), the measures funded were considered relevant to the needs of people and companies, according to available evaluations⁶³; also notes that there is evidence that the ERDF business support in Hungary made possible by this flexibility had a positive effect on the companies targeted⁶⁴; notes that the Commission’s preliminary evaluation⁶⁵ of the support provided by the ESF and the Fund for European Aid to the

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⁵³ SWD(2023)0022, p. 17.
⁵⁵ SWD(2024)0002, p. 15.
⁵⁶ SWD(2024)0002, p. 15.
⁵⁸ SWD(2023)0022, p. 20.
⁵⁹ SWD(2024)0002, p. 15.
⁶⁰ SWD(2023)0022, p. 20.
⁶² Idem.
⁶³ SWD(2024)0002, p. 16.
⁶⁴ SWD(2023)0022, p. 18.
⁶⁵ Commission staff working document of 14 July 2023 entitled ‘Preliminary evaluation of the support provided by ESF and FEAD under the Coronavirus Response Investment Initiatives (CRII and CRII+)’ (SWD(2023)0249).
Most Deprived under the CRII and CRII+ was also mainly positive; underlines that the CRII and CRII+ reached their objectives in most Member States, as they used this funding flexibility to efficiently reallocate remaining resources to fund short-term working arrangements, social inclusion measures and their healthcare systems, depending on their national contexts; stresses that, thanks to the CRII and CRII+, governments were also able to maintain their level of awarding contracts and expenditure during this difficult period; notes that REACT-EU support focused on recovery measures driven by future-oriented priorities, such as the green and digital transitions; highlights that an example of this support is the project Green Change Zealand, which helped 20 SMEs in Denmark reduce their energy and material consumption through green conversion plans;

**Future cohesion policy**

**General principles**

14. Insists that, owing to its regional focus, placed-based approach, strategic planning and effective implementation model, cohesion policy should remain the EU’s main investment instrument for reducing disparities, ensuring economic, social and territorial cohesion and stimulating regional and local sustainable growth and that it should continue to be a key contributor to supporting a socially just transition and recovery from symmetric and asymmetric shocks and the fight against climate change;

15. Regrets the reduction in the share of the 2021-2027 MMF dedicated to cohesion, compared to the previous programming period; recalls that the COVID-19 pandemic and the Russian war of aggression against Ukraine have created new disparities between regions; believes that there must be an increase in real terms in the overall cohesion budget and in the MFF’s share of the policy compared to the 2021-2027 programming period;

16. Considers that cohesion investments should remain under shared management for programming and implementation in order to be able to respond to the needs of Member States, regions, and urban, rural and remote areas; acknowledges that co-programming, co-financing, co-responsibility and co-ownership are the most effective methods for the successful implementation of a long-term EU investment policy and EU-financed projects;

17. Underlines that the emergence of budgetary support instruments based on direct management and a simpler delivery model could lead to a renationalisation of cohesion policy and endanger one of its basic principles: multilevel governance; opposes therefore any renationalisation of cohesion policy;

18. Insists that all EU regions should remain eligible for cohesion policy funding; underlines that this is the only way to address regional challenges, to achieve a more balanced development pattern across the EU and to tackle unique regional development problems on the ground;

19. Stresses that the future cohesion policy must continue to pay attention to regions that suffer from severe and permanent natural and demographic limitations, such as sparsely populated areas, islands, mountainous areas and cross-border regions, in full compliance with Article 174 TFEU; notes, in this context, that the EU has drawn up an urban and a
rural agenda, and expects the publication of an island agenda as well;

20. Calls on the Council to unblock and start its work on the European cross-border mechanism file;

21. Underlines the importance of applying Article 349 TFEU in all EU policies to achieve the objectives set out therein; recalls the vital role played by cohesion policy in the outermost regions; emphasises the importance of designing and maintaining tailor-made programmes and measures for these regions, as the majority of the outermost regions are still among the less-developed regions or should be treated as such; calls on the Commission to guarantee high co-financing rates, specifically for the outermost regions, by designating all of these regions as less-developed regions for this purpose;

22. Stresses that disproportionate burdens, such as the inherent structural disadvantages faced by all border regions, should be compensated with a separate system for regional aid designed specifically for border regions; demands that 0.26 % of the EU’s cohesion policy budget be reserved exclusively for development in the border regions (‘borderland billion’) at the beginning of every new programming period, starting with the 2028-2034 period;

23. Believes that the ‘do no significant harm’ criteria must prevent environmentally harmful measures in order to achieve the goal of a carbon-neutral Europe by 2050 at the latest; calls on the Commission to introduce, in the forthcoming cohesion policy post-2027 legal framework, strict criteria to improve the application of the ‘do no significant harm’ principle; calls furthermore for at least the same level of climate-related spending in the new framework in order to achieve the climate objectives set by the Paris Agreement, and in line with the UN’s Sustainable Development Goals and the European Green Deal;

24. Underlines that the main purpose of the EU's cohesion policy is to reduce disparities among Member States and especially between and within regions in the Member States; underscores that the cohesion policy budget should be primarily used for cohesion policy goals and not for new non-cohesion policy instruments and programmes, either within or outside the MFF, including optional transfers;

25. Acknowledges the need for built-in crisis flexibility; proposes the creation of a dedicated axis for local and regional authorities to address emerging priorities; stresses, however, that the repurposing of cohesion funding should not be triggered by new legislative initiatives by the Commission, but instead should be initiated by a managing authority in a bottom-up process, after mandatory consultations with regional and local authorities and with the appropriate involvement of civil society, as provided for in the Common Provisions Regulation and the Code of conduct on partnership; underlines that this will not erode the multiannual orientation of the policy, but will help it best adapt to the fast-changing nature of our times;

26. Regrets that delays in the MFF negotiations led to considerable delays in the 2021-2027 programming period, impacting beneficiaries and especially management authorities, which faced an enormous burden in dealing with both the finalisation of the 2014-2020 funding period and the start of the current funding period; calls on the Commission, therefore, to assess the legal possibility of creating two distinct parts within the Common Provisions Regulation, namely the content-related part (political) and the
MFF-related part (financial resources), for the post-2027 programming period; believes that the content-related part should be negotiated and concluded before the MFF-related part to allow for management authorities to start preparing in a timely manner in order to ensure the principle of genuine partnership and an efficient use of cohesion policy instruments;

27. Warns that the existence of multiple funds with cohesion objectives, sometimes with overlapping priorities, may hinder the effective implementation of cohesion policy; calls for a clear demarcation, as well as for alignment and complementarity, between cohesion policy and other instruments in order to avoid overlaps and competition between EU instruments; insists on the need to enhance such complementarity by bolstering the possibility of financing joint projects;

28. Draws attention to the local, regional and national authorities’ difficulties in recruiting a qualified workforce to implement, manage and audit cohesion policy funds as one of the reasons for delays in the implementation of those funds; calls on the Member States and their regions to launch efforts to train and recruit specialised staff to optimise the implementation, management and auditing of EU funds in the future in order to make those funds as effective and efficient as possible;

29. Notes that, as evidenced by the analyses of the performance of cohesion policy funds, including by the European Court of Auditors, there is room for improving the effectiveness of cohesion policy interventions for delivering on the EU’s overarching priorities and territorial challenges, such as competitiveness or the greening of the economy; believes that a broader response involving more EU policies and an effective targeting of funds will therefore be essential in fighting the geography of discontent;

30. Believes that the legislative proposal for the future cohesion policy should only be released once it takes into consideration the outcomes of a major consultation effort and an EU-wide line-up of events and formats on the ground that bring together all levels of governance and all other stakeholders;

31. Underlines the need for a comprehensive evaluation of the impact of the ESI Funds in the Member States and in the beneficiary regions and municipalities, focusing not just on the level of implementation of the funds allocated, but rather on the transformative nature of the investments and their impact on the economy and employment in the area;

32. Notes that the 2021-2027 regulatory framework has already introduced measures to simplify the delivery and management of cohesion policy; points out that, while real progress has been made, there is still a long way to go in terms of simplifying procedures for final beneficiaries and providing legal certainty for managing authorities; stresses that overlapping controls and audits of funds should be avoided; stresses that further simplification should also enable an accelerated implementation and absorption pace;

33. Underlines, therefore, that simplification should be one of the key drivers of the future cohesion policy; considers it necessary to streamline public procurement procedures, improve the alignment of cohesion policy with State aid rules, increase the use of simplified cost options, implement the single audit principle and identify ‘one-stop shops’ for potential beneficiaries; believes that the application of the rules for extrapolating the error rate creates a disproportionate administrative burden for the
managing authorities and asks the Commission to look into revising these rules; calls on the Member States to avoid over-regulation in order to ensure legal certainty for the beneficiaries;

34. Believes that further streamlining of the architecture of EU funding instruments should be achieved across the Cohesion Fund, the ERDF, the ESF+ and the Just Transition Fund, and possibly extended to the EAFRD, as it should be covered by the Common Provisions Regulation; acknowledges that such streamlining would further simplify the programming and implementation of the policy, enhance its visibility and effectiveness, and improve beneficiaries’ access to funding; stresses the importance of streamlining the individual fund-specific regulations in order to minimise increases in implementation delays and programming complexity; notes that any streamlining of funds should preserve their thematic orientation and the financing streams for the respective policy areas;

35. Acknowledges that the performance framework introduced in the 2014-2020 period was an attempt to improve the result orientation of the policy; calls, in this regard, for a thorough modernisation of the delivery model – a shift from an activity-to-payment cycle to a performance-based implementation, based on tangible milestones, together with linkage to local and regional growth-enhancing reforms underscoring the basics of cohesion policy; emphasises that the performance-based approach will not work unless the regional and local level have a say in the definition of the targets against which the success of the policy will be measured;

36. Underlines that such a shift towards performance-based implementation should not undermine transparency, accountability and the protection of the Union’s financial interests; notes that audit and control systems should nonetheless be adapted to the performance-based framework;

37. Calls for a wider use of digital technologies and solutions in the Member States to simplify implementation, monitoring and reporting, hence contributing to more efficient administration and less physical documentation;

38. Notes that public money coming from taxpayers must not be misused; asks the Commission, the Member States and regional authorities to use and enhance existing mechanisms to detect and fight irregularities, fraud and corruption in cohesion policy funding;

39. Calls on the Commission to ensure that all Member States have an effective mechanism for reporting irregularities, in line with Commission Delegated Regulation (EU) 2015/1970; recommends that irregularities be classed as closed on the Irregularity Management System (IMS) only after the missing amounts are also recovered at national level, not only after the irregular sums are returned to the Commission; recommends that the Member States ensure, through data-mining tools such as ARACHNE, that data in the official report of irregularities and fraud in the IMS is

cross-checked with the data for the approved projects;

40. Calls on the Commission to improve coordination of the powers of the European Anti-Fraud Office (OLAF) and the European Public Prosecutor’s Office (EPPO) to investigate irregularities and fraud related to cohesion policy funds;

41. Calls on the remaining Member States to join the EPPO in order to enhance the fight against corruption and the misuse of EU funds;

42. Strongly supports the implementation of the rule of law conditionality in all Member States; expects the Commission, therefore, to take rule of law aspects fully into consideration when approving partnership agreements and cohesion policy programmes, so that they are in full compliance with the enabling conditions on the effective application and implementation of the Charter of Fundamental Rights, as outlined in Annex III of the Common Provisions Regulation; further expects the Commission not to approve any partnership agreement or programme until this in-depth analysis of these specific aspects leads to a high level of assurance of no risk;

43. Reiterates the importance of safeguards that would prevent unfair penalisation of the beneficiaries situated in countries that may be subject to the activation of the rule of law mechanism; asks the Commission to consider avenues through which it can deliver the funds to their final beneficiaries;

44. Emphasises that cohesion policy must better adapt to challenges posed by the green, digital and industrial transitions and the social consequences they entail in order to remain relevant and achieve the objectives set out in the Treaties; believes that in order to achieve this, it is important to learn not only from the 2014-2020 funding period, but also from instruments such as the RRF, to address socio-economic challenges linked to recent crises and to provide adequate support to disadvantaged areas and communities;

45. Calls on the Commission, in the post-2027 cohesion policy regulations, to continue to underline the importance of, inter alia, tackling climate change mitigation and adaptation, biodiversity loss and protection of the environment, including better water and waste management, resource and energy efficiency, disaster resilience and risk prevention and management; considers, in this context, that climate mainstreaming and climate proofing mechanisms should be an integral part of programming and implementation, in particular for project selection; reminds the Commission, furthermore, that adequate support, in particular to local and regional authorities, to address socio-economic challenges linked to recent crises and to help disadvantaged areas and communities, should be an important feature in the implementation of funds;

46. Underlines the importance of more sustainable mobility solutions throughout the EU territories, such as the Trans-European Transport Network (TEN-T) policy; is of the position that smart and sustainable mobility solutions should be prioritised for EU funding;

47. Invites the Commission and the Member States to endeavour to ensure that all regions in the EU have access to high-speed broadband so that they are placed on an even footing to achieve the digital transition;

48. Stresses the need to encourage the involvement of the private sector alongside the
public sector for investments in sustainable development; underlines, in this regard, the role SMEs can play in innovation; calls on the Member States and the Commission to propose measures to enhance the uptake of ready-for-market innovations by SMEs;

49. Calls for better access to funding for local and regional authorities, and also for cross-border and less-developed regions, to enable investments in the local and regional energy transition, including energy efficiency, decentralised distribution of energy and a strong focus on renewable energy and a sustainable circular economy;

50. Is convinced, considering the structural changes linked to the twin green and digital transitions, and their uneven economic and social impact on EU regions, that the principle of just transition, with no territory and no one left behind, should guide the next programming period of cohesion policy;

51. Recognises the importance of giving special attention to the regions affected by the industrial transition; welcomes, in this sense, the Commission’s efforts to address this issue with the Just Transition Fund, the first pillar of the Just Transition Mechanism; calls on the Commission to draw lessons from the implementation of this fund and to further clarify its objectives;

52. Calls for continued financing for the just transition, which should be fully integrated into the Common Provisions Regulation and endowed with adequate financial means to be set up for the post-2027 programming period, and for the principles of shared management and partnership to be applied; takes the view that this expansion of the Just Transition Fund should focus on the appropriate NUTS (nomenclature of territorial units for statistics) level, take into account regional specificities, have a wider scope than the present Just Transition Fund, and be designed in such a way as to allow for prompt responses to newly arising challenges across various sectors and industries; calls for this new generation of financing to distinguish between climate change mitigation and adaptation; stresses that a share of funding should be devoted to the socially just transition and to reducing the Union’s carbon footprint;

53. Calls for a dedicated policy objective towards tackling social inequalities to be maintained, as regional convergence has slowed down and new drivers of inequalities have appeared;

54. Stresses the crucial role that cohesion investments in high-quality public services play in building social resilience and coping with economic, health and social crises;

55. Underlines that cohesion policy’s scope of support includes the integration and inclusion of more than 3 million people who are at risk of social exclusion, including support to 600 000 people from marginalised groups, such as Roma, living in less-developed EU regions in particular; deplores the unwillingness of local governments of certain Member States to effectively use cohesion policy funds to ensure that these people have access to quality services, such as water and decent living conditions; urges the Member States to address these most pressing issues that will significantly contribute to reducing regional disparities;

56. Draws attention to the difficult situation of regions sharing a border with Russia and Belarus after the suspension of cooperation following the Russian war of aggression against Ukraine; calls on the Commission to closely work with the affected Member
States to find sustainable solutions in order to address the social and economic challenges in these regions;

57. Underlines the multidimensional nature of rural development, which goes beyond agriculture per se; notes that only 11.5% of people living in rural areas work in the agriculture, forestry and fisheries sectors;

58. Recalls that the EAFRD is currently linked to the cohesion policy framework, and that it should be further associated with the Common Provisions Regulation, which is needed to fully develop rural regions; emphasises the need to further streamline the funds, including the EAFRD, in regional development, as it could ensure the achievement of synergies and stronger rural-urban partnerships for investments in rural areas beyond agriculture; insists that the EAFRD should be managed regionally or with decisive regional and local participation, placing greater emphasis than before on structural policy measures in sparsely populated areas;

59. Insists on the need to implement a rural proofing mechanism to assess the impact of EU legislative initiatives on rural areas;

60. Points out that any future Union enlargement will have repercussions on the level of cohesion within the Union; points out that it will likely affect the current classification of the different regions, given that the average GDP per capita will fall significantly, as a consequence of the statistical effect;

61. Calls on the Commission, therefore, to carry out a detailed assessment before proposing a new regulation for the post-2027 cohesion framework to ensure that cohesion policy is equipped to continue to support all regions and that any unfavourable consequences on the regions, caused by a statistical effect on cohesion policy eligibility, can be duly addressed; calls on the Commission, in addition, to include in its assessment an estimate of the additional needs for cross-border cooperation that an enlargement might entail; calls for consultation and structured work between the Commission and Parliament on these matters before a new legislative proposal is brought forward; calls for an enlargement-ready cohesion policy by 2030 at the latest;

62. Underlines that the existing cohesion policy budget focuses on convergence objectives; underlines that, in the case of Ukraine, the cohesion policy budget cannot and must not cater for the expected financial demands of reconstruction; stresses that any reconstruction objectives should be achieved through distinct financing mechanisms, outside the scope of the MFF, through direct budgetary contributions from Member States, the private sector and external resources;

63. Calls on the Commission to consider the possibility that public cohesion policy spending by Member States and regional and local authorities under the ESI Funds should not be considered national or equivalent structural expenditure as defined in the new economic governance rules, especially if they do not deviate from the fulfilment of the Paris Agreement objectives;

64. Underlines the need to improve the relationship between cohesion policy and EU economic governance, while avoiding a punitive approach; stresses that the European Semester should comply with cohesion policy objectives as laid down in Articles 174 and 175 TFEU and the European Pillar of Social Rights; calls for the participation of the
regions in the fulfilment of the country-specific recommendations (CSRs) and for a stronger territorial approach; calls for the concept of macroeconomic conditionality to be reconsidered and for the possibility of replacing this concept with new forms of conditionality to be explored so as to better reflect the new challenges that lie ahead of us;

65. Recalls the ‘do no harm to cohesion’ principle, introduced by the 8th Cohesion Report, meaning that no action should hamper the convergence process or contribute to regional disparities; calls for a stronger integration of this principle as a cross-cutting principle in all EU policies, so that they support the objectives of social, economic and territorial cohesion, as set out in Articles 3 and 174 TFEU; insists that promoting cohesion should also be seen as a way of fostering solidarity and mutual support among Member States and their regions;

66. Calls on the Commission to strengthen and develop this principle as part of the European Semester and to involve local and regional authorities at all stages of the procedures linked to the European Semester and its CSRs;

67. Strongly believes in the importance of the horizontal principles of multilevel governance and partnership, which should remain guiding principles of cohesion policy post-2027;

68. Calls on the Commission, the Member States, regions and local authorities to rigorously and effectively apply the multilevel governance principle;

69. Highlights the importance of upholding the partnership principle in all programming, implementation and monitoring of EU cohesion policy, and of establishing strong cooperation between regional and local authorities, non-governmental organisations and stakeholders; calls for the partnership principle to remain binding and asks for its inclusion in the European Semester; calls on the Commission and the European Court of Auditors to scrupulously conduct follow-ups, perform checks and make corrective recommendations;

70. Welcomes the Commission’s decision to extend the validity of the Code of Conduct for Partnerships under the ESI Funds (Delegated Regulation No 240/2014); believes that these guidelines contribute significantly to the better involvement of local and regional authorities and other stakeholders, but should be revised to further improve their effectiveness and ensure a more in-depth involvement of partners to promote place-based actions;

71. Recalls that, in the 2021-2027 cohesion policy framework, gender equality and a gender perspective are included and promoted throughout all stages of the process of preparing, implementing, monitoring and evaluating cohesion programmes; highlights, furthermore, the specific role of women, in particular in remote and rural areas, as they are major players in civil society and sustainable economic growth; notes, however, at the same time, that they often face difficulties in accessing the labour market, public services, healthcare, childcare and equal pay;

72. Highlights, furthermore, the particular importance of youth mainstreaming in cohesion policy;
73. Calls on the Commission and the Member States to make further efforts towards advancing the realisation of children’s rights by using ESF+ to support effective interventions that contribute to this goal;

74. Calls for the communication and visibility of the programmes and EU-funded projects to be further strengthened across the Member States, by defining their objectives, target audiences, communication channels, social media outreach, planned budget and relevant indicators for monitoring and evaluation;

**Regional and local focus**

75. Calls for climate adaptation and disaster prevention and preparedness investments to be guaranteed either through a dedicated policy objective, thematic concentration or a specific enabling condition to ensure sustainable investments in local and regional infrastructure and risk management in less-developed urban and rural areas, including border regions, islands and the outermost regions; believes that targeted financing should focus on risk reduction and preparedness for a broad spectrum of disasters (climate-related, geological, health-related, human-made); believes that this should include a strong focus on climate change mitigation and adaptation to help local and regional authorities to better manage risk and prepare to respond to the local impacts of climate change, from slow onset events to extreme weather events, including coastal erosion, desertification, rising sea levels, wildfires, floods, landslides, heatwaves and other natural disasters;

76. Believes that cohesion funding should benefit both urban and rural areas in a balanced way; calls for cohesion policy to include a stronger urban and rural dimension through designated investments in both urban and rural areas as well as stronger links between urban and rural projects and sustainable investments in order to address the demographic challenge, the development trap and the urban-rural divide that affect EU regions;

77. Calls for the proportion of national ERDF allocations for urban development to be increased; calls on the Member States to ensure that small municipalities are also able to access the ERDF funds dedicated to financing sustainable and integrated urban development projects; calls, similarly, for funding to be earmarked for rural areas and regions that suffer from severe and permanent natural or demographic handicaps; calls for this funding to be co-programmed with local and regional authorities and for the benefit of the local communities and the respective regions;

78. Calls for the establishment of a genuine structural policy for rural areas, with appropriate thematic objectives that respond to the particular challenges of these areas, such as rural desertification, population ageing, depopulation, rural abandonment, the decline of communities in general and insufficient healthcare and education opportunities;

79. Encourages synergies between joint projects and collaboration agreements between the different levels of governance in order to harness pooled capacities and economies of scale in EU investments in infrastructure, innovation, climate change mitigation/adaptation and the green and digital transitions; believes that this process should lead to a greater sense of ownership of projects and the consolidation of sustainable investments, instead of fragmentation and a lack of synergies;
80. Highlights the added value of territorial cooperation in general and cross-border cooperation in particular; calls for the budget for European Territorial Cooperation programmes to be increased, as they provide a unique framework for interregional, cross-border and transnational cooperation and help address common challenges, fostering partnerships and promoting economic development, social cohesion and environmental sustainability; suggests that the ‘borderland billion’ be entrusted directly to the European Grouping of Territorial Cooperation, which is to be tasked with its independent management and distribution among projects;

81. Considers the Territorial Agenda 2030 to be a real and proper instrument that ensures the EU’s cohesion through the management of each of its regions and their particularities; calls on the Commission to consider modifying the role of the Territorial Agenda 2030 beyond that of a territorial management guide; calls on the Member States to develop their territorial agendas in line with the Territorial Agenda 2030 as a basis for programming their territorial strategies, taking into account the specificities of each of their regions, and serving as an incentive, as well as in order to stimulate the decision-making process and the design of territorial and urban policies;

82. Acknowledges that integrated territorial development tools play a fundamental role in quality implementation and absorption of resources; calls for a proportion of the cohesion policy funds to be earmarked for developing territorial approaches in rural areas or for urban-rural territorial approaches through integrated territorial investments, community-led local development or other mechanisms for non-agricultural rural development to complement actions supported by the LEADER approach under the common agricultural policy, as this will also be a fundamental way of addressing the geography of discontent;

83. Is of the opinion that the use of cohesion decommitments for reserve margins within cohesion policy would help, inter alia, to absorb future inflationary hikes or supply chain shocks; believes that this use should operate on a rolling basis, dependent on necessity and following the multiannual and annual decommitment cycles;

84. Believes that the trade-off between the necessary place-based orientation and the support to the Union’s thematic priorities could be addressed through higher flexibility and a selectable menu of thematic objectives and challenges, accessible to regions and municipalities according to their development levels and needs, while respecting the thematic concentration at national level; underlines that such a model reduces the complexity of the programming process and factors in regional characteristics; stresses that cohesion policy should continue tracking the local landscape of needs in order to address them effectively in the context of reducing regional disparities across the EU;

85. Underscores that thematic concentration remains a cornerstone of achieving the transition towards a more competitive, smarter, more social and resilient Union, as well as a net-zero carbon economy; stresses, however, that it should be adapted to the real needs of regions and cities, and the way they operate in practical terms, from programming and reprogramming to implementation and closure; is certain that the key principle should be a tailor-made investment approach geared towards specific needs on the ground;

86. Asks the Commission, when determining the level of support for each region, to take
into account additional characteristics, such as areas within the region with growth potential, the intensity of their particular challenges, their level of exposure to the impacts of ongoing transitions, such as the green, digital and industrial transitions, or their level of social progress, so as to better define the path of each region towards convergence; stresses that GDP as the sole indicator of development fails to take into account all of these aspects and calls for it to be complemented by other indicators, such as the EU Social Progress Index and the Climate Change Vulnerability Index; underlines the importance of paying particular attention to supporting regions facing a development trap, as highlighted in the 8th Cohesion Report;

87. Calls for intraregional disparities to be addressed by paying more attention to the diversity of territories; calls on the Commission to consider the possibility of assessing initial allocations and co-financing rates on the basis of NUTS 3 in order for funding to be directed to where it is most needed and to prevent the emergence of pockets of poverty and underdevelopment; underlines that such a shift should take into account possible negative effects on EU financing for larger urban areas, such as metropolitan areas;

88. Considers that, when allocating funds for local projects in urban and rural areas, the focus should be on joint projects of common interest, while also promoting the participation of SMEs; calls for smaller regional financial instruments to be combined with larger regional initiatives to enhance their efficiency and policy impact; calls on the Commission to provide guidance and planning support, especially for integrated territorial and small projects, to avoid decommitments and repurposing; highlights the importance of strengthening the bottom-up approach to territorial development, which is a vehicle for social innovation and capacity building;

89. Underlines the importance of good governance at all levels in the management of cohesion policy; highlights that the quality of governance structures can determine the optimal mix of investment priorities in order to achieve the necessary multilevel vertical and horizontal coordination to design and deliver integrated development strategies;

90. Calls for a strengthened representation of urban and rural authorities in the monitoring committees, which could co-assess the effectiveness of the management of the funds; reiterates that these representatives should, inter alia, share responsibility for programming and reprogramming in order to respect multilevel governance;

91. Calls on the Commission to take the necessary measures to address the shortcomings identified in the management of the cohesion policy funds by the managing authorities, while, at the same time, simplifying access to technical assistance in order to improve the administrative and management capacities of the competent entities;

92. Calls for further involvement of Commission initiatives, such as the EU Covenant of Mayors for Climate and Energy, in the process of designing and implementing the next generation of cohesion policy rules; believes that city networks play an indispensable role in bridging the gap between policymaking and implementation on the ground; acknowledges that policy and implementation support, geared towards mayors and local authorities, generates significantly better outcomes in the context of policy implementation;

93. Stresses that differences exist between Member States when it comes to the
competences of local and regional authorities; calls for an enhanced place-based approach to bring cohesion policy management closer to the regional and local level; stresses that preparatory work, adequate administrative capacity and institutional backing are indispensable in order to ensure the effectiveness of the policy, reduce the number of irregularities and fraud, and avoid additional administrative burdens for managing authorities, contractors and final beneficiaries;

94. Is convinced that promoting an increased sense of local and regional ownership in the long term, as well as the durability of EU projects and higher co-financing leverage, can be achieved through increased fiscal capacity for regions and municipalities; acknowledges that such a path would improve the borrowing capacity of regions and municipalities linked to financial instruments provided by the EU budget; underlines that regional and local budgets should be able to compensate for the impact of inflation shocks and possible crises on EU co-financed projects;

95. Calls for the further involvement of the European Investment Bank (EIB) Group in cohesion policy investments, especially in less-developed regions, through support for sustainable cities, sustainable energy, the circular economy, green jobs and local and regional innovation projects, including through increased use of financial instruments and support for private sector investment; calls for the expansion of the local and regional project assistance and financial instruments that complement and leverage EU grants; acknowledges that in many Member States, EIB financing, such as structural programme loans, contributes significantly to the national co-financing obligations under cohesion policy, which in turn facilitates and accelerates the implementation of the programmes;

96. Underlines that technical, financial and administrative capacity is essential in ensuring that managing bodies and local and regional authorities acquire technical knowledge, especially on climate change, which they can use for urban and rural planning and management; is convinced that this will lead to better design and evaluation of project proposals, more effective allocation of resources and satisfactory budgetary implementation without significant risk of decommitments;

97. Calls for existing technical assistance and advisory programmes to specifically target smaller municipalities and cross-border, remote and rural areas, as well as the outermost and island regions, to help them face new challenges such as the green transition and climate change; underlines the importance, in this respect, of technical assistance instruments being developed in collaboration between the EIB and the Commission, including on energy efficiency; calls for targeted support in the form of 100 % EU financing for technical, financial and administrative capacity building, project design and preparation, identifying and building a project pipeline, as well as strategic planning capabilities, including planning instruments; believes that the URBIS platform, as a single point of contact for municipalities, should be further developed;

98. Insists on a critical review of the Commission’s ad hoc initiatives and the thorough screening of new initiatives regarding their quality and quantity; demands that this process be managed jointly and in partnership, with guaranteed representation at the local level, including of cities and rural areas, and of regions and civil society organisations; warns that the proliferation of Commission ad hoc initiatives financed by cohesion policy funds, without added value for the local and regional level, risks
undermining the effectiveness of the overall cohesion appropriations planned in advance; insists that every new Commission initiative be accompanied by a corresponding budgetary top-up;

99. Instructs its President to forward this resolution to the Council, the Commission, the European Economic and Social Committee, the European Committee of the Regions and the national and regional parliaments of the Member States.
ANNEX: ENTITIES OR PERSONS
FROM WHOM THE RAPPORTEUR HAS RECEIVED INPUT

Pursuant to Article 8 of Annex I to the Rules of Procedure, the rapporteur declares that he has received input from the following entities or persons in the preparation of the report, until the adoption thereof in committee:

<table>
<thead>
<tr>
<th>Entity and/or person</th>
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<tr>
<td>European Commission</td>
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<td>European Investment Bank Group</td>
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<td>EUROCITIES</td>
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<td>Council of European Municipalities and Regions (CEMR)</td>
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<td>Deutscher Städtetag (Association of German Cities Brüsseler Büro)</td>
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<td>Capital Cities &amp; Regions Network</td>
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<td>The Network of European Metropolitan Regions and Areas (Metrex)</td>
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<tr>
<td>Murcia, Melilla, Madrid, Galicia, Valencia, Ceuta, Castilla y Leon, Canarias, Baleares, Nueremberg, Brandenburg, Kehlheim, Schoeneberg, Aachen, Viechtach, Rheinland-Pfalz, Sachsen</td>
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The list above is drawn up under the exclusive responsibility of the rapporteur.
14.11.2023

LETTER OF THE COMMITTEE ON AGRICULTURE AND RURAL DEVELOPMENT

Mr Younous Omarjee  
Chair  
Committee on Regional Development  
BRUSSELS

IPOL-COM-AGRI D(2023) 37780

Subject: Opinion on Cohesion policy 2014-2020 - implementation and outcomes in the Member States –2023/2121(INI)

Dear Chair,

Under the procedure referred to above, the Committee on Agriculture and Rural Development has decided to submit an opinion to the Committee on Regional Development. At its meeting of 28 June 2023, AGRI Coordinators decided to send the opinion in the form of a letter.

The Committee on Agriculture and Rural Development decided, after the vote on the opinion of 7th December 2023 to call on the Committee on Regional Development, as the committee responsible, to incorporate the following suggestions into its motion for a resolution.

Yours sincerely,

Norbert Lins
SUGGESTIONS

1. Stresses the importance of supporting rural areas by valuing their diversity and potential, improving transport connectivity, high-speed broadband, the provision of services, economic diversification and job creation, and helping them respond to challenges such as rural desertification, population ageing, depopulation and rural abandonment, the decline of communities in general and insufficient healthcare and education opportunities;

2. Calls for the restoration, under the Common Provisions Regulations, of the Rural Development Fund (currently EAFRD); such a fund should be managed regionally or with decisive regional participation, placing greater emphasis than before on structural policy measures in sparsely populated areas;

3. Highlights the valuable contribution to rural development made by the LEADER programme, which aims to engage local actors in the design and delivery of strategies for their rural areas;

4. Reaffirms the importance of urban-rural linkages and of the development of strategies based on functional areas, with the aim of preventing rural areas from shrinking;

5. Notes that the cohesion policy and regional environmental strategies offer opportunities to support farmers and forest managers’ sustainable investments in climate change adaptation, in particular the prevention of floods, drought and fires;

6. Stresses the need to set cohesion policy and CAP objectives that are consistent and comparable with each other; stresses that these processes should take into account the gender perspective;

7. Calls on the Commission to identify and implement the necessary flexibility measures to ensure the transfer of unspent EU funds, channelling them to different agricultural sectors;
ANNEX: LIST OF ENTITIES OR PERSONS FROM WHOM THE RAPPORTEUR FOR THE OPINION HAS RECEIVED INPUT

The following list is drawn up under the exclusive responsibility of the rapporteur for the opinion. The rapporteur has received input from the following entities or persons in the preparation of the draft opinion, under form of letter, until the adoption thereof in committee:

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<th>Entity and/or person</th>
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This opinion was drawn up in the respect of confidentiality procedure. In that context the rapporteur for the opinion does not receive any input from entities or persons within the meaning of this Annex.
### INFORMATION ON ADOPTION IN COMMITTEE RESPONSIBLE

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<td>Members present for the final vote</td>
<td>Pascal Arimont, Adrian-Dragoș Benea, Isabel Benjumea Benjumea, Tom Berendsen, Stéphane Bijoux, Vlad-Marius Botoș, Andrea Cozzolino, Corina Crețu, Rosa D’Amato, Mircea-Gheorghe Hava, Peter Jahr, Manolis Kefalogiannis, Elżbieta Kruk, Cristina Maestre Martín De Almagro, Nora Mebarek, Martina Michels, Alin Mituța, Andrey Novakov, Younous Omarjee, Maxette Pirbakas, Wolfram Pirchner, Caroline Roose, Marcos Ros Sempere, André Rougé</td>
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<td>Substitutes present for the final vote</td>
<td>Daniel Buda, Isabel Carvalhais, Ciarán Cuffe, Mónica Silvana González, Stelios Kypouropoulos, Denis Nesci, Rovana Plumb, Bronis Ropé</td>
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<td>Substitutes under Rule 209(7) present for the final vote</td>
<td>Jaroslaw Duda, Karen Melchior, Maite Pagazaurtundúa</td>
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## FINAL VOTE BY ROLL CALL IN COMMITTEE RESPONSIBLE

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<td>Ciarán Cuffe, Rosa D’Amato, Caroline Roose, Bronis Ropė</td>
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<td>ID</td>
<td>André Rougé</td>
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Key to symbols:
+ : in favour
- : against
0 : abstention