MEPs agree on future regional and cohesion funding

- Shift focus of funding from national to regional level
- Accommodate special needs of outermost regions
- Investments for cities and their urban sustainable development will increase from 6 to 10%

Parliament adopted on Wednesday new funding rules to strengthen the EU’s economic, social and territorial cohesion, with 475 votes to 93 and 53 abstentions.

The updated rules, which will apply from 2021 to 2027 to the European Regional Development Fund (ERDF) and the Cohesion Fund (CF), will cover all regions, with special focus on less developed communities, urban areas and outermost regions.

MEPs agreed on spending a significant part of the ERDF, which is by far the largest public EU fund, on smart growth and the green economy. The text stipulates that regions should spend at least 30% to 50% of the funding received on a smart, innovative Europe, and at least 30% on the fight against climate change and the circular economy. The Cohesion Fund continues to focus on investment in environmental and transport infrastructure.

More focus on regions and cities

MEPs believe that the management of EU funds should take into account the territorial, economic and social diversity of European regions, which benefit the most from cohesion policy. EU funding would therefore be allocated at regional level based on gross domestic product (GDP) per capita, rather than at member state level, based on gross national income ratio, as has been the case until now. Moreover, at least 10% of the ERDF resources at national level should be allocated to sustainable urban development, compared to the 6% proposed by the Commission.

Non-eligible activities

Moreover, MEPs want to see airport infrastructure, waste disposal and treatment of residual waste, as well as fossil fuel-related investments, excluded from regional EU funding, with few
exceptions linked to outermost regions, and solutions to be in line with circular economy principles and energy efficiency.

After the vote, rapporteur Andrea Cozzolino (S&D, IT) said: “The plenary vote today is a very significant result, reached with a broad majority, in support of simplified and improved rules for spending more than 270 billion euros under the next financing period. We ensured a very good text for the next Parliament, as a starting point for the upcoming negotiations with the member states”.

Next steps

The new Parliament and EU ministers are expected to start negotiations on funding for future regional and cohesion policy this autumn.

Further information

Adopted texts will be available here (27.03.2019)
Video recording of debate (26.03.2019)
Press release on the committee vote (14.02.2019)
Procedure file

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