

# Common Provisions Regulation

## New rules for cohesion policy for 2021-2027

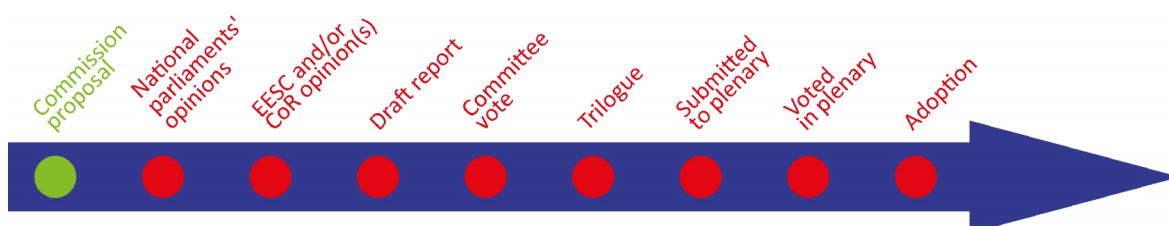
### OVERVIEW

For the next EU budget, covering the 2021-2027 period, the European Commission proposed to update EU cohesion policy with a new set of rules, on 29 May 2018. The proposal for a Common Provisions Regulation (CPR) sets out common provisions for seven shared management funds: the European Regional Development Fund, the Cohesion Fund, the European Social Fund Plus, the European Maritime and Fisheries Fund, the Asylum and Migration Fund, the Internal Security Fund and the Border Management and Visa Instrument. Additional specific regulations add certain provisions needed to cater for the particularities of individual funds, in order to take into account their different rationales, target groups and implementation methods.

The CPR proposal is of utmost importance as it will set the main rules that govern the above-mentioned funds for the forthcoming period. While the proposal builds upon the previous sets of rules covering the 2014-2020 period, it nevertheless introduces a number of innovations, and aims, amongst other things, at providing simplification and better synergies between the different EU policy tools.

**Proposal for a regulation of the European Parliament and of the Council laying down common provisions on the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, and the European Maritime and Fisheries Fund and financial rules for those and for the Asylum and Migration Fund, the Internal Security Fund and the Border Management and Visa Instrument**

<i>Committee responsible:</i>	Regional Development (REGI)	COM(2018) 375
<i>Co-rapporteurs:</i>	Constanze Krehl (S&D, Germany) Andrey Novakov (EPP, Bulgaria)	29.5.2018 2018/0196(COD)
<i>Shadow rapporteurs:</i>	Ruža Tomašić (ECR, Croatia) Iskra Mihaylova (ALDE, Bulgaria) Younous Omarjee (GUE/NGL, France) Monica Vana (Greens/EFA, Austria) Rosa d'Amato (EFDD, Italy)	Ordinary legislative procedure (COD) (Parliament and Council on equal footing – formerly 'co-decision')
<i>Next steps expected:</i>	Publication of draft report	



## Introduction

The current Common Provisions Regulation ([CPR](#)), as well as specific regulations for [ESI funds](#), regulate the funds that underpin EU cohesion policy for the 2014-2020 period. According to the European Commission, the fragmentation of the rules governing the different EU funds implemented in partnership with the Member States ('shared management') has complicated matters for the authorities managing programmes and discouraged businesses and entrepreneurs from applying for different sources of EU funding. To tackle these issues, the Commission proposes a new [CPR](#), which sets out common provisions for seven funds. This single rulebook will cover the European Regional Development Fund ([ERDF](#)), the Cohesion Fund ([CF](#)), the European Social Fund+ ([ESF+](#)), the European Maritime and Fisheries Fund ([EMFF](#)), the Asylum and Migration Fund ([AMIF](#)), the Internal Security Fund ([ISF](#)) and the Border Management and Visa Instrument ([BMVI](#)). Additional [specific regulations](#) have also been presented for the above-mentioned funds to cover their own particular elements.

## Context

The Commission proposal for a multiannual financial framework sets out an amount of €330 billion for economic, social and territorial cohesion for the 2021-2027 period. The funding allocation for each fund can be seen in table 1. The Commission's proposal for the financing of the EMFF, AMIF, BMVI and ISF will be included in the fund-specific regulations for each fund. However, for the AMIF, the ISF and the BMVI, Member States will prepare programmes in accordance with the programme template set out in Annex VI of the CPR.

Table 1 – ERDF, CF and ESF+ envelopes for 2021-2027	2018 prices, € million
Cohesion policy total	330 624
European Regional Development Fund (ERDF)	200 629
- Investment for jobs and growth	190 752
- European territorial cooperation	8 430
- Outermost regions and sparsely populated areas	1 447
- Cohesion Fund (CF)	41 349
- of which contribution to CEF Transport	10 000
European Social Fund+ (excluding the amount for health, employment and social innovation)	88 646

Source: European Commission, [CPR proposal](#), 2018.<sup>1</sup>

---

<sup>1</sup> The amounts proposed for the ERDF and the Cohesion Fund are slightly different according to the Commission's communication [accompanying the proposal on the 2021-2027 multiannual financial framework](#). The allocations amount to €200 622 million and €41 374 million respectively (see page 30 of the communication).

As far as regional and cohesion policy is concerned, the discussion amongst policy-makers and stakeholders on the future policy priorities of the EU is now heating up, and the funding allocations per Member State are quite prominent in this debate. These are included in the Annex to the proposed CPR and are given in figure 1. Central topics in the discussions on the future of cohesion policy include the need to make EU funds simpler and more flexible for beneficiaries to use, while also strengthening the cohesion policy contribution to the EU's economic governance and increasing its added value. An additional point in the debate relates to the way the European Union addresses new or growing challenges such as migration, environment and technological innovation.

Figure 1 – Cohesion policy allocations per EU Member State 2021-2027

Member State	2021-27 allocation (EUR billion, 2018 prices)	Change from 2014-2020 period (%)	Aid intensity (EUR/head)	Change from 2014-2020 period (%)
BG	8.9	8	178	15
RO	27.2	8	196	17
HR	8.8	-6	298	0
LV	4.3	-13	308	0
HU	17.9	-24	260	-22
EL	19.2	8	254	12
PL	64.4	-23	239	-24
LT	5.6	-24	278	-12
EE	2.9	-24	317	-22
PT	21.2	-7	292	-5
SK	11.8	-22	310	-22
CY	0.9	2	147	-5
SI	3.1	-9	213	-11
CZ	17.8	-24	242	-25
ES	34.0	5	105	3
MT	0.6	-24	197	-28
IT	38.6	6	91	5
FR	16.0	-5	34	-9
FI	1.6	5	42	2
BE	2.4	0	31	-5
SE	2.1	0	31	-6
DE	15.7	-21	27	-20
DK	0.6	0	14	-3
AT	1.3	0	21	-4
NL	1.4	0	12	-3
IE	1.1	-13	33	-17
LU	0.1	0	16	-14

Source: [European Commission](#), 2018.

The main objectives of the provisions of the proposed CPR are to substantially reduce unnecessary administrative burden for beneficiaries and managing bodies, while maintaining a high level of assurance of legality and regularity. The new CPR also aims to increase flexibility to adjust programme objectives and resources in the light of changing circumstances and to align the programmes more closely with EU priorities. This should be achieved through the alignment of the

intervention logic and reporting with the MFF headings and increasing concentration requirements on priority areas. Forging a closer link with the European Semester process and setting more meaningful enabling conditions that need to be maintained throughout the implementation period are also part of the new proposal.

## The changes the proposal would bring

### Thematic objectives and major policy priorities

Although the new CPR regulation is based on the framework of the current CPR, it nevertheless introduces a number of innovations. For instance, from 11 'thematic objectives' in the 2014-2020 period, the new regulation will now focus its resources on five policy objectives:

- 1 a smarter Europe, through innovation, digitisation, economic transformation and support for small and medium-sized businesses;
- 2 a greener, carbon free Europe, implementing the Paris Agreement and investing in energy transition, renewables and the fight against climate change;
- 3 a more connected Europe, with strategic transport and digital networks;
- 4 a more Social Europe, delivering on the European Pillar of Social Rights and supporting quality employment, education, skills, social inclusion and equal access to healthcare;
- 5 a Europe closer to citizens, by supporting locally-led development strategies and sustainable urban development across the EU.

According to the European Commission, the majority of European Regional Development Fund and Cohesion Fund investments will be geared towards the first two objectives: a smarter Europe and a greener Europe. Member States will invest 65 % to 85 % of their allocations under the two funds to these priorities, depending on their wealth status. The European Regional Development Fund and Cohesion Fund investments should help achieve the budget-wide target of at least 25 % of EU expenditure contributing to climate action. Furthermore, the 'thematic concentration', i.e. the repartition of resources by policy objectives, will no longer take place at regional level, but at national level.

Moreover, the CPR aims to support **locally-led development strategies** developed at the level closest to the citizens. It emphasises the need for inclusive partnership agreements with local and regional authorities. It also provides supportive tools for the [EU's outermost regions](#). The Commission proposes to further strengthen the [urban dimension](#) of cohesion policy. As a result, 6 % of the European Regional Development Fund envelope is earmarked for investments in sustainable urban development at national level. The 2021-2027 framework also creates the European urban initiative, a new instrument for city-to-city cooperation, innovation and capacity-building across all the thematic priorities of the urban agenda for the EU. The European Agricultural Fund for Rural Development ([EAFRD](#)) is not part of the regulation, as in the previous CPR, but will nevertheless be directly affected by certain articles of the CPR.

A focus on emerging needs stemming from **immigration trends** is also evident. The [Asylum and Migration Fund](#), together with cohesion policy funds, can finance [local integration strategies](#) for migrants and asylum seekers. While the Asylum and Migration Fund would focus on short-term needs upon arrival (reception and healthcare, for example), cohesion policy funds could support long-term social and professional integration.

The '**enabling conditions**' continue the approach of the [ex-ante conditionalities](#) introduced for the 2014-2020 funding period. Some 20 conditions are proposed, which correspond to roughly half of the number of conditionalities in the previous period. There are also four horizontal enabling conditions in the area of public procurement, state aid and in relation to the application of the [European Charter of Fundamental Rights](#) and the [United Nations Convention on Persons with Disabilities](#). The Commission claims there will be an ongoing focus on these preconditions, which

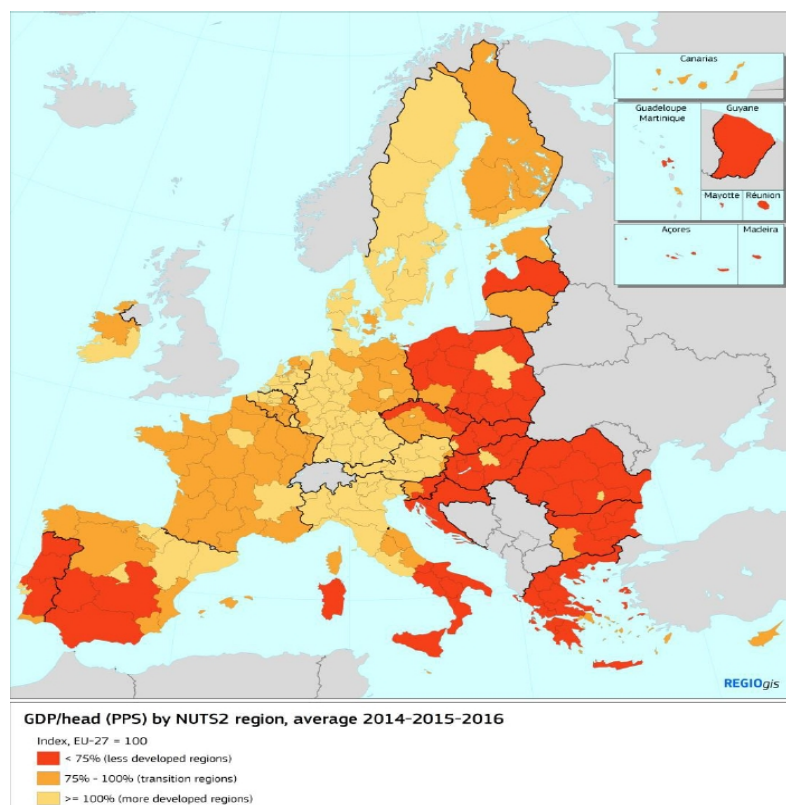
are necessary for the projects' success. Member States will not have to draft action plans for fulfilment of enabling conditions. Instead, these should be respected during the whole programming period. If not, Member States will not be able to send payment claims to the Commission for EU-funded projects related to unfulfilled preconditions.

## Allocation of funding

The three sets of regions that exist in the current period and receive funding ([less developed, transition, and more developed regions](#)) will continue to exist in the post-2020 period. However, certain thresholds have been modified. The category of 'less developed regions' will include EU regions whose GDP per capita is less than 75 % of the average GDP of the EU-27. The threshold for regions which are to be categorised as 'transition regions' will be raised. This category will include those regions with a GDP per capita between 75 to 100 % of EU average GDP (the limit for this category currently stands at 90 % of EU average GDP). The category of 'more developed regions' will include EU regions whose GDP per capita is above 100 % of the average GDP of the EU-27. Figure 2 shows the different eligible categories of regions in the 2021-2027 programming period (red: less developed regions, orange: transition regions, yellow: more developed regions).

According to a Commission technical briefing during the REGI Committee [hearing](#) of 20 June 2018, this change of thresholds was justified as statistics show that 'transition regions' lost ground during the previous years, making it necessary to find a solution to maintain funding support.

Figure 2 – New regional eligibility map 2021-2027



Source: [European Commission presentation to the EP](#), 2018.

As regards the Cohesion Fund, the method is unchanged: it will support those Member States with a per capita GNI, calculated on the basis of Union figures for the period 2014-2016, less than 90 % of the average EU-27 per capita GNI for the same reference period.

The new allocation method for the funds builds on the 'Berlin formula', adopted by the European Council in 1999, which entails different calculation methods for the three different categories of regions mentioned above. This methodology mostly takes into account the gap between a region's GDP per capita and the EU's average, to reflect regional prosperity. It also includes social, economic and territorial challenges, such as unemployment, low population density and, for

more-developed regions, education levels. The Commission proposes a slight modification of the method, which is still predominantly based on per capita GDP, but also includes new criteria for all categories of regions – youth unemployment, low education level, climate change and the

reception and integration of migrants – to better reflect the socio-economic situation on the ground (table 2). Finally, the Commission proposes a 'safety net' to avoid changing Member States' allocations too abruptly (a ceiling limit of 24 % loss of funds for national envelopes).

Table 2 – Suggested allocation method criteria in the current and future period

	2014-2020	2021-2027
GDP (including GNI for Cohesion Fund)	86 %	81 %
Labour market, education, demographics	14 %	15 %
Climate	–	1 %
Migration	–	3 %
Total	100 %	100 %

Source: [European Commission presentation at the EP](#), 2018.

Member States' contributions will need to be increased in terms of co-financing, as the financial contribution of the EU will be reduced. The European Commission therefore suggests that they should be fixed as following: 70 % for the less developed and outermost regions, as well as the regions covered by the Cohesion Fund and Interreg; 55 % for the regions in transition; and 40 % for the more developed regions (table 3). For more detailed information on co-financing, see Article 106 of the suggested CPR.

Table 3 – Suggested ceilings on EU contributions

Ceiling	Regional category
<b>70 %</b>	Less developed regions Outermost regions Cohesion Fund Interreg
<b>55 %</b>	Transition regions
<b>40 %</b>	More developed regions

Source: European Commission, Data compiled from the [CPR Regulation](#), 2018

## Simplification

The proposed CPR regulation includes a number of [suggestions](#) for measures to achieve further flexibility and simplification. One of these is to make more 'simplified costs options' available, meaning that beneficiaries can use estimates, such as flat rates or fixed prices for certain categories of costs or for staff and other business expenses such as insurance or rent. Expenses can also be reimbursed on the basis of results achieved. There will be no rules on revenue generation. The performance reserve has been dropped, as well as the drafting of annual implementation reports. There will be also a shift towards electronic data exchanges to allow substantive discussions on ruling questions. [Seal of Excellence](#) projects can be reinforced: a managing authority can take the decision to support a Seal of Excellence project with structural funds. In this case, no state aid rules would apply.

Various suggestions are also made regarding the simplification of audit and control. In the beginning of the programming period, there will be no need for the authorities in charge of implementing cohesion policy programmes to repeat the time-consuming designation process of



the 2014-2020 period – Member States can roll-over the existing implementation system. In addition, for programmes with a well-functioning management and control system and a good track record (i.e. low error rate), the Commission proposes to rely more on the national control procedures in place. Furthermore, the single audit principle is extended. This means that beneficiaries such as small businesses and entrepreneurs should only be subject to a single check rather than multiple, potentially not fully-coordinated, audits, whereas for 'low error' programmes, there will be more reliance on national systems.

## Flexibility

Flexibility and issues of reprogramming will be achieved via a mid-term review. When the programmes for the 2021-2027 programming period are adopted, only the allocations corresponding to the years 2021-2024 will be assigned to priorities. The allocations for the remaining two years – 2026 and 2027 – will be allocated following an in-depth mid-term review in 2024, leading to corresponding reprogramming in 2025. Member States will take four elements into account in reviewing the programmes: the challenges identified in the relevant country-specific recommendations adopted in the context of the [European Semester](#) in 2023 and 2024; the socio-economic situation of the Member State or region concerned; the progress made towards the milestones of the programmes' performance framework; and the outcome of the technical adjustment, an exercise which will be carried out in 2024 and lead to a review of national cohesion policy envelopes based on the most recent statistics.

The proposal also sets the possibility of transferring money from one priority to the other within an EU funding programme, without the need for formal Commission approval. The threshold for such transfer is set at 5 % of a priority's budget. A specific provision in case of a natural disaster is also envisaged, whereby it will be possible to mobilise funding as of day one of the event.

In addition, it will be possible to combine financial instruments with grants in a single operation. EU Member States can also can redirect up to 5 % of the Structural Funds allocation through the [InvestEU](#) programme. These redirected sums will still need to serve cohesion policy objectives, but will follow InvestEU rules which are generally more flexible.

## European Semester, macroeconomic conditionality and tight management

The [European Semester's country-specific recommendations](#) will be taken into account twice during the 2021-2027 period: first as a roadmap for the programming of the funds and for the design of cohesion policy programmes, at the beginning of 2021-2027; subsequently, the most recent country-specific recommendations will also guide a mid-term review of the programmes in 2024, to adjust to new or persistent challenges. Over the course of the period, Member States should regularly present their progress in implementing the programmes in support of the country-specific recommendations to the Commission.

[Macroeconomic conditionality](#) is retained as part of the proposals. When a Member State fails to take effective or corrective action in the context of key EU economic governance mechanisms (excessive deficit procedure, excessive imbalance procedure), or fails to implement the measures required by a stability support programme, the Commission shall make a proposal to the Council to suspend all or part of the commitments or payments for one or more of the programmes of a Member State. However, the Commission may, on grounds of exceptional economic circumstances discard the process of suspension of funds.

The new framework includes a return to the n+2 (years) rule, as opposed to the n+3 rule applicable in 2014-2020. The Commission claims that this change will happen gradually, to ensure adequate room for adjustment while leading to tighter financial management. This particular measure was presented as a way to help to speed up the implementation of programmes. In cases of de-commitment, where a sum committed to a programme has not been claimed by a Member State

after a certain period of time – i.e. the Commission receives no invoices to cover that sum – this money ceases to be available to the programme and returns to the EU budget. The Commission suggests that this roll-over arrangement and continuity, with the possibility of phasing 2014-2020 projects into the new period, will allow for a quick start to the programming period, making it easier to manage programmes successfully against the de-commitment rule. For the same purpose, it suggests that the amounts of pre-financing are also reduced and will now constitute 0.5 % of the programme resources to be paid each year except for 2027, the final year of the new funding period.

## Parliament's starting position

In June 2017, the European Parliament adopted a resolution ([2016/2326](#)) on building blocks for a post-2020 EU cohesion policy (rapporteur: Kerstin Westphal, S&D, Germany) which included various issues related to the future of EU cohesion policy. Although this resolution does not directly relate to the proposed CPR regulation, it represents an EP view on cohesion policy. It also includes a number of claims that may become vocal during the CPR negotiation process. In various areas, the CPR proposal seems to meet certain of the resolution's basic demands, in particular when it comes to adopting measures for simplification and synergies between different EU funds and policy tools. The CPR support for partnership agreements also concurs with the logic of the EP resolution. In addition, both the new CPR regulation and the EP resolution stress the need for early preparation and setting a clear legislative framework so that programmes are not delayed in the 2021-2027 period. The EP resolution emphasises the need for better communication, which is also mentioned in the new regulation. Both the EP resolution and the CPR proposal emphasise the importance of innovative low carbon local development and the importance of a strong urban dimension in EU policies. Immigrant integration is an additional priority underlined in both the EP resolution and the CPR proposal.

However, the EP resolution includes positions that do not accord with other elements of the proposal, such as the issue of macroeconomic conditionality. Furthermore, although the suggested proposal slightly modifies the GDP allocation funding method, it does not take extensive account of the additional or alternative methods of financial allocation suggested in the EP resolution, such as the Social Progress Index or demographic indicators. Although CPR supports certain measures regarding the outermost regions, very little progress is visible for other areas of geographic specificities – islands, cross-border regions, peripheral regions and sparsely populated areas – that form part of the EP resolution demands. Parliament also emphasises the importance of rural areas and the development of rural-urban links. Finally, the current CPR accompanies a reduced budget for cohesion policy. The EP resolution has stated its support for an increased budget, or one similar to that of the pre-2020 period.

In April 2018, the European Parliament adopted a resolution ([2017/2279](#)) on the Commission's 7th cohesion report (rapporteur: Marc Joulaud, EPP, France). Parts of the resolution are in tune with the main priorities of the CPR. For instance, the resolution considers that cohesion should continue to adequately cover all European regions. It supports a strong thematic concentration on a limited number of priorities linked to major European political objectives and emphasises that future cohesion policy should focus more on protecting and supporting communities and territories adversely affected by globalisation. It considers that the ESI funds should be used as effectively as possible to help the EU meet its commitments under the Paris Climate Agreement (COP21) and insists that funding under the solidarity instruments for use in the event of natural disasters should be made available as rapidly as possible. It also considers that cohesion policy can help to meet new challenges, such as security or the integration of refugees under international protection. However, it stresses, that cohesion policy cannot be the solution to all crises, and opposes the use of cohesion policy funds to cover short-term financing needs outside the policy's scope. It underlines that grants should remain the main cohesion policy funding instrument, but acknowledges that financial instruments can be an effective tool in certain cases and calls for the conditions governing the use of financial instruments to be simplified. The resolution also calls for every effort to be made to avoid



delays in programming for the new period and makes further suggestions for a simplified cohesion policy. It underlines the importance of community-led local development and supports additional measures for the outermost regions. Finally, it is of the opinion that the EU funds must respect the UN Convention on the Rights of Persons with Disabilities (UNCRPD).

The resolution also contains ideas that do not fully constitute main priorities for the CPR. For instance, it emphasises that efforts to consolidate the territorial dimension of cohesion policy require paying greater attention to peri-urban and rural problems as well as those of the regions mentioned in Article 174(3) TFEU. It stresses the need to take account of complementary indicators to per capita GDP and calls for the ESI funds to be used to address the demographic challenges. It considers that cohesion policy could contribute to the promotion of social and fiscal convergence (alongside economic and territorial convergence), and underlines the possibility of relying, for instance, on the European Pillar of Social Rights, as well as calling on the Commission to take better account of this aspect in the European Semester. It also calls for future cohesion policy to minimise the negative impact of the United Kingdom's withdrawal from the EU on other European regions.

## Preparation of the proposal

In 2015, the Juncker Commission tasked a group of independent experts with presenting concrete proposals to simplify access to and the use of EU funds, also in preparation of the post-2020 framework ([High-Level Group monitoring simplification for beneficiaries of ESI funds](#)). The need for fewer, shorter, clearer rules was further highlighted in the Commission's June 2017 [reflection paper on the future of EU finances](#) and confirmed by EU citizens in a public consultation carried out in 2018 – where 80 % of respondents asked for less complex rules and red tape for EU funding beneficiaries. As for flexibility, the migration and refugee crisis in 2015, but also recent natural disasters, underlined that cohesion policy rules should allow faster and more efficient responses to unexpected events.

In its [conclusions](#) on the 'synergies and simplification of cohesion policy' of November 2017, the Council of the European Union called for synergies between ESI funds and other EU instruments. It also states that it is aware that the amount and complexity of rules introduced for the 2014-2020 programming period continue to represent a challenge for beneficiaries and Member States' authorities, and remains committed to a substantial simplification of these rules. In its [conclusions](#) of March 2018 'on streamlining the delivery system and implementation of cohesion policy and the European structural and investment (ESI) funds post-2020', the Council considers that challenges continue, and a substantial simplification of the implementation of the ESI funds post-2020 is needed. It reiterates its call on the Commission to consider the introduction of a simpler delivery system based on the effective application of proportionality, reliance on national rules and well-functioning national and regional systems, open to adoption by all Member States and regions on the basis of transparent, objective and measurable criteria. It makes the case for simplified legislation and flexible programming. The conclusion also includes a number of priority themes for the territorial approach of cohesion policy.

In its 12 April 2018 [conclusions](#) on delivery and implementation of cohesion policy after 2020, the Council of the European Union considers, among other things, that the cohesion policy post-2020 delivery system should be strongly based on the principles of subsidiarity and proportionality, recognising the important role of the competent authorities of Member States and regions with regard to programming, implementation, monitoring, evaluation, control and auditing. It also acknowledges the slow start to programmes in the 2014-2020 period, and takes note of the different reasons for delays, such as the late adoption of the legislation, the complexity and the introduction of new rules, time-consuming procedures for designating the competent authorities in the Member States, as well as the overlap of the 2014-2020 period with the closure of the 2007-2013 programming period. The Council considers that challenges persist and a substantial simplification of the implementation of the ESI funds post-2020 is needed. It reiterates that simplification of the

rules is key to timely implementation of the ESI funds and the achievement of more and better policy results, thereby also increasing its visibility. It considers that simplification should take place both at EU and at national level. The Council also claims that while the use of financial instruments should remain optional, the provisions related to financial instruments post-2020 should encourage Member States and regions to deploy these instruments where and when their use is deemed appropriate.

According to the CPR proposal (see section: [results of ex-post evaluations, stakeholder consultations and impact assessments](#)), the various ESI funds that are covered by the CPR were evaluated individually, and many of the findings are most relevant to their specific regulations. However, according to the Commission, three key findings are applicable to the CPR: simplification is a major priority, the need to reduce the administrative burden for both beneficiaries and the managing authorities is important, and this was a key and repeated finding in the evaluation of all funds; the clear need for flexibility to respond to emerging needs; the need to enhance the potential use of financial instruments.

## Advisory committees

The European Committee of the Regions ([CoR](#)) began work on the file as part of the mandatory consultation. The Commission for Territorial Cohesion Policy and EU Budget (COTER) has already appointed its co-rapporteurs Catuscia Marini (PES, Italy) and Michael Schneider (EPP, Germany), and will draft an opinion that should be voted during its December 2018 plenary session. The European Economic and Social Committee's ([EESC](#)) Section for Economic and Monetary Union and Economic and Social Cohesion (ECO) appointed Stefano Mallia (Employers – Group I, Malta) as rapporteur. Its opinion is to be presented at its October 2018 plenary session.

## National parliaments

The deadline for the [submission of reasoned opinions](#) on the grounds of subsidiarity is 10 September 2018.

## Stakeholders' views

In a [press release](#), the [Cohesion Alliance](#) welcomes proposals to cover all regions with a strong role for cities and regions, but warns against the impact of funding cuts. It welcomes the intention to ensure cohesion policy for all and preserve the principle of multilevel governance. However, in its view, the proposed 10% reduction in the MFF and the centralisation risk posed by the new regulations might prevent local actors from efficiently supporting citizens and business.

In a [statement](#), the Conference of Peripheral Maritime Regions ([CRPM](#)) welcomes the Commission efforts to simplify the policy and the proposal for increased EU support for interregional cooperation for innovation at sub-national level. However, it is concerned that considerable structural and investment funds resources would be diverted to the new InvestEU instrument. This would mean that cohesion policy funds are invested in an instrument that is not aimed at achieving social, economic and territorial cohesion. It also states that the ESF will be a stand-alone fund in the budget with its own objectives. This could lead to loss of the territorial dimension and the ability to reinforce social, economic and territorial cohesion. The strengthening of the link between cohesion policy and the European Semester will divert the policy from its initial Treaty objectives. Together with the upcoming reform support programme, this will mean cohesion policy funds are used to carry out structural reforms in areas with no regional relevance. In addition, through the removal of cross-border maritime cooperation programmes, maritime Member States and regions will be penalised due to their geographical specificities. CRPM also provides a further [analysis](#) of the cohesion policy package.

In a [press release](#), a coalition consisting of ten European NGOs calls upon the European institutions to uphold equality between women and men, accessibility for persons with disabilities and non-

discrimination in the proposal for a Common Provisions Regulation 2021-2027, as well as in the fund-specific regulations. A European Trade Union Confederation (ETUC) [statement](#) expresses the organisation's disagreement on cutting ESF funding and scrapping the minimum share of ESF in cohesion spending.

Other stakeholders, such as the Council of European Municipalities and Regions ([CEMR](#)), [Eurocities](#), the Association of European Border Regions ([AEBR](#)) and the Assembly of European Regions ([AER](#)) follow the topic closely and may come up with opinions in the near future. A number of opinions from various local, regional authorities, stakeholders and think tanks regarding the future of cohesion policy are included in the summer 2018 issue of the Commission [Panorama](#) publication.

## Legislative process

The proposal is examined simultaneously by the Council and the European Parliament. Within the Council of the EU, the proposal is being studied by the [Working Party on Structural Measures](#).

At the presentation of the proposal by Commission officials during the [REGI Committee meeting](#) of 20 June 2018, Members raised a number of questions regarding: Member State allocations; the exemption of EAFRD from the proposal; the rise in national co-funding rates; support for non-urban areas; the inclusion of macro-economic conditionality as part of the proposal; and many other issues. The co-rapporteurs on the file have been appointed – Constanze Krehl (S&D, Germany) and Andrey Novakov (EPP, Bulgaria) – and work has begun on reaching an EP position on the regulation. A further nine EP committees will also give their opinion on the file (Budgets, Budgetary Control, Economic and Monetary Affairs, Employment and Social Affairs, Environment, Public Health and Food Safety, Transport and Tourism, Agriculture and Rural Development, Fisheries, Civil Liberties, Justice and Home Affairs).

## EP SUPPORTING ANALYSIS

Margaras, V., [Challenges for cohesion policy: Issues in the forthcoming post-2020 reform](#), EPRS, European Parliament, February 2018.

Sapala, M., [Post-2020 MFF and own resources: Ahead of the Commission's proposal](#), EPRS, European Parliament, May 2018.

Parry, M., Sapala, M., [2021-2027 multiannual financial framework and new own resources: Analysis of the Commission's proposal](#), EPRS, European Parliament, July 2018.

Haase D., Kołodziejski M., [EU cohesion policy 2021-2027 – EC proposals at a glance](#), 2018, Research4Committees.

## OTHER SOURCES

[Common Provisions Regulation, 2021-2027](#), Legislative Observatory (OEL) European Parliament.

[EU budget: Regional Development and Cohesion Policy beyond 2020](#), press release, European Commission, 29 May 2018.

[Regional Development and Cohesion Policy beyond 2020: Questions and Answers](#), Fact Sheet, European Commission, 29 May 2018.

[Regional development and cohesion beyond 2020: the new framework at a glance](#), Fact Sheet, European Commission, 29 May 2018.

[A more tailored approach to regional needs](#), Fact Sheet, European Commission, 29 May 2018.

[A simpler and more flexible framework for cohesion policy](#), Fact Sheet, European Commission, 29 May 2018.

[A stronger link with the European Semester and the Union's economic governance](#), Fact Sheet, European Commission, 29 May 2018.

## DISCLAIMER AND COPYRIGHT

This document is prepared for, and addressed to, the Members and staff of the European Parliament as background material to assist them in their parliamentary work. The content of the document is the sole responsibility of its author(s) and any opinions expressed herein should not be taken to represent an official position of the Parliament.

Reproduction and translation for non-commercial purposes are authorised, provided the source is acknowledged and the European Parliament is given prior notice and sent a copy.

© European Union, 2018.

[eprs@ep.europa.eu](mailto:eprs@ep.europa.eu) (contact)

[www.eprs.ep.parl.union.eu](http://www.eprs.ep.parl.union.eu) (intranet)

[www.europarl.europa.eu/thinktank](http://www.europarl.europa.eu/thinktank) (internet)

<http://epthinktank.eu> (blog)



First edition. The 'EU Legislation in Progress' briefings are updated at key stages throughout the legislative procedure.