



**European Committee  
of the Regions**

**COTER-VI/046**

**132nd plenary session, 5-6 December 2018**

## **OPINION**

### **European Regional Development Fund and Cohesion Fund**

#### THE EUROPEAN COMMITTEE OF THE REGIONS

- notes with concern that the Commission's proposal for a multi-annual financial framework provides for a sharp decrease in the Cohesion Fund budget of 46% and a stable budget for the ERDF (+1%);
- objects to the proposal that the ERDF thematic concentration will focus on the national level; this centralised allocation mechanism goes against the place-based approach and the multilevel governance principle of Cohesion Policy;
- regrets that the EAFRD has been taken out of the Common Provision Regulation that sets out common rules applicable to various funds and underlines the necessity of strong complementarities between the ERDF and the ESF+ in order to carry out integrated and comprehensive initiatives at local level (ITI and CLLD);
- notes that Member States are encouraged to transfer 5% of ERDF or CF resources to the new InvestEU instrument and also to transfer a further 5% of their ERDF allocation to EU programmes managed by the EC. However, the shared management approach has had a demonstrated impact on the economic, social and territorial cohesion for Europe. Any transfer by the Member State should be decided with the involvement of the local and regional partners in line with the partnership principle and multilevel government;
- supports the increased focus on sustainable urban development by dedicating 6% of ERDF resources at national level to this area;
- includes in the ERDF objectives support for areas with geographical or demographic handicaps, including regions suffering from high ageing, depopulation and migration. Includes furthermore, the possibility to receive additional funding for capacity building;
- encourages further "greening" of the Funds, enabling regions to finance actions for climate-adaptation, including promoting resilience to natural disasters.

Rapporteur

Michiel Rijsberman (NL/ALDE), Regional Minister of the Province of Flevoland

Reference document

Proposal for a Regulation of the European Parliament and of the Council on the European Regional Development Fund and on the Cohesion Fund  
COM(2018) 372 final

**Opinion of the European Committee of the Regions – European Regional Development Fund and Cohesion Fund**

**I. RECOMMENDATIONS FOR AMENDMENTS**

**Amendment 1**

Recital 5

<i>Text proposed by the European Commission</i>	<i>CoR amendment</i>
<p>Horizontal principles as set out in Article 3 of the Treaty on European Union ('TEU') and in Article 10 of the TFEU, including principles of subsidiarity and proportionality as set out in Article 5 of the TEU, should be respected in the implementation of the ERDF and the Cohesion Fund, taking into account the Charter of Fundamental Rights of the European Union. Member States should also respect the obligations of the UN Convention on the Rights of Persons with Disabilities and ensure accessibility in line with its article 9 and in accordance with the Union law harmonising accessibility requirements for products and services. Member States and the Commission should aim at eliminating inequalities and at promoting equality between men and women and integrating the gender perspective, as well as at combating discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation. The Funds should not support actions that contribute to any form of segregation. The objectives of the ERDF and the Cohesion Fund should be pursued in the framework of sustainable development and the Union's promotion of the aim of preserving, protecting and improving the quality of the environment as set out in Articles 11 and 191(1) of the TFEU, taking into account the polluter pays principle. In order to protect the integrity of the internal market, operations benefitting undertakings shall comply with State aid rules as set out in Articles 107 and 108 of the TFEU.</p>	<p>Horizontal principles as set out in Article 3 of the Treaty on European Union ('TEU') and in Article 10 of the TFEU, including principles of subsidiarity and proportionality as set out in Article 5 of the TEU, should be respected in the implementation of the ERDF and the Cohesion Fund, taking into account the Charter of Fundamental Rights of the European Union <b><i>and the European Pillar of Social Rights</i></b>. Member States should also respect the obligations of the UN Convention on the Rights of Persons with Disabilities and ensure accessibility in line with its article 9 and in accordance with the Union law harmonising accessibility requirements for products and services. Member States and the Commission should aim at eliminating inequalities and at promoting equality between men and women and integrating the gender perspective, as well as at combating discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation. The Funds should not support actions that contribute to any form of segregation. <b><i>Member States and the Commission should acknowledge the important role culture plays in the social cohesion of Europa, in line with UNESCO Universal Declaration on Cultural Diversity and the role culture and the creative sector can play in reconciling civil tensions.</i></b> The objectives of the ERDF and the Cohesion Fund should be pursued in the framework of sustainable development, <b><i>notably in line with the Union's commitments to implement the Paris Agreement and the United Nations Sustainable Development Goals, as well as</i></b> and the Union's promotion of the aim of preserving, protecting and improving the quality of the environment as set out in Articles 11 and 191(1) of the TFEU, taking into account the polluter pays principle. In</p>

	order to protect the integrity of the internal market, operations benefitting undertakings shall comply with State aid rules as set out in Articles 107 and 108 of the TFEU.
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<b>Reason</b>
N/A

**Amendment 2**

New Recital after Recital 5

<i>Text proposed by the European Commission</i>	<i>CoR amendment</i>
	<b><i>Member States should refrain from adding rules that complicate the use of the ERDF and the Cohesion Fund for the beneficiary.</i></b>

**Amendment 3**

Recital 14

<i>Text proposed by the European Commission</i>	<i>CoR amendment</i>
Reflecting the importance of tackling climate change in line with the Union's commitments to implement the Paris Agreement and the United Nations Sustainable Development Goals, the Funds will contribute to mainstream climate actions and to the achievement of an overall target of 25% of the EU budget expenditure supporting climate objectives. Operations under the ERDF are expected to contribute 30 % of the overall financial envelope of the ERDF to climate objectives. Operations under the Cohesion Fund are expected to contribute 37% of the overall financial envelope of the Cohesion Fund to climate objectives.	<p>Reflecting the importance of tackling climate change in line with the Union's commitments to implement the Paris Agreement and the United Nations Sustainable Development Goals, the Funds will contribute to mainstream climate actions and to the achievement of an overall target of 25% of the EU budget expenditure supporting climate objectives. Operations under the ERDF are expected to contribute 30 % of the overall financial envelope of the ERDF to climate objectives. Operations under the Cohesion Fund are expected to contribute 37% of the overall financial envelope of the Cohesion Fund to climate objectives.</p> <p><b><i>These percentages should be respected throughout the programming period.</i></b></p> <p><b><i>Therefore, relevant actions will be identified during the preparation and implementation of these funds, and reassessed in the context of the relevant evaluations and review procedures. These actions and the financial allocation reserved for their implementation are to be included in the national Integrated Energy and Climate Plans in accordance with Annex IV of Regulation (EU) 2018/xxxx [new CPR] and attached to the Operational Programmes.</i></b></p>

***Reason***

Achieving the Paris targets will represent a major challenge for Europe. The CoR has set out highly ambitious climate objectives in previous opinions and notes that the ERDF and Cohesion Fund are the main financial instrument in the EU budget aimed at contributing to the climate objectives. The EU has committed to the Paris targets. Given the unpredictability caused by the flexible nature of allocations to different policy objectives, Cohesion Policy's "horizontal enabling conditions" should include the requirement for Member States to fulfil the obligations stemming from the Paris Agreement objectives in their national integrated energy and climate plans; these should at least be closely monitored throughout the programming period to make sure that contributions to climate objectives are still on the right track.

**Amendment 4**

New recital after recital 14

<b><i>Text proposed by the European Commission</i></b>	<b><i>CoR amendment</i></b>
	<b><i>The ERDF should strengthen its direct support to subnational governments by ensuring enhanced financing and tailored instruments for territorial development, boosting the implementation of the United Nations Sustainable Development Goals on the ground.</i></b>

***Reason***

Only the UN SDGs for tackling climate change are mentioned in the recitals. This amendment ensures greater coherence with the conclusions of the Council of the EU entitled "A sustainable European future: The EU response to the 2030 Agenda for Sustainable Development" with regard to boosting the implementation of ***all*** SDGs on the ground.

**Amendment 5**

Recital 17

<b><i>Text proposed by the European Commission</i></b>	<b><i>CoR amendment</i></b>
The ERDF should help to redress the main regional imbalances in the Union and to reduce disparities between the levels of development of the various regions and the backwardness of the least favoured regions including those facing challenges due to the decarbonisation commitments. ERDF support under the Investment for jobs and growth goal should therefore be concentrated on key Union priorities in line with policy objectives laid down in Regulation (EU) 2018/xxx [new CPR]. Therefore support from the ERDF should be	The ERDF should help to redress the main regional imbalances in the Union and to reduce disparities between the levels of development of the various regions and the backwardness of the least favoured regions including those facing challenges due to the decarbonisation commitments. ERDF support under the Investment for jobs and growth goal should therefore be concentrated on key Union priorities in line with policy objectives laid down in Regulation (EU) 2018/xxx [new CPR]. Therefore support from the ERDF should be concentrated

<p>concentrated on the policy objectives of 'a smarter Europe by promoting innovative and smart economic transformation' and 'a greener, low-carbon Europe by promoting clean and fair energy transition, green and blue investment, the circular economy, climate adaptation and risk prevention and management'. That thematic concentration should be attained at <i>national</i> level while allowing for flexibility at the level of individual programmes and between the three <i>groups</i> of <i>Member States</i> formed according to <i>respective</i> gross <i>national income</i>. In addition, the methodology to classify <i>Member States</i> should be set out in detail taking into account the specific situation of the outermost regions.</p>	<p>on the policy objectives of 'a smarter Europe by promoting innovative and smart economic transformation' and 'a greener, low-carbon Europe by promoting clean and fair energy transition, green and blue investment, the circular economy, climate adaptation and risk prevention and management'. That thematic concentration should be attained at <i>regional</i> level while allowing for flexibility at the level of individual programmes and between the three <i>categories</i> of <i>regions</i> formed according to <i>regional</i> gross <i>domestic product</i>. <i>To facilitate the flexibility between regions, Member States may ask, on request by the regions concerned, for the thematic concentration to be calculated for a combination of regions</i>. In addition, the methodology to classify <i>regions</i> should be set out in detail taking into account the specific situation of the outermost regions.</p>
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<i>Reason</i>
<p>This amendment aims to bring Recital 17 in line with Amendment 7 <b>on Article 3</b> relating to thematic concentration.</p> <p>The proposed centralised allocation mechanism was a point of concern that was raised by most regional stakeholders (CoR, AER, CPMR, CEMR). To give an example, under national thematic concentration rules the "transition" regions (regions with a gross national income ratio equal to or above 75% and below 100% of the EU average ("group 2")) could erroneously fall under stricter rules if they were located in a Member State with a gross national income ratio equal to or above 100% of the EU average ("group 1").</p> <p>This goes against the place-based approach of Cohesion Policy and its intended flexibility, making the proposal counterproductive. Therefore, the CoR proposes to revert to the current, regional allocation system, while allowing for flexibility to regulate thematic concentration depending on capabilities and needs of regions.</p>

### Amendment 6

#### Recital 18

<i>Text proposed by the European Commission</i>	<i>CoR amendment</i>
<p>In order to concentrate the support on key Union priorities, it is also appropriate that thematic concentration requirements should be respected throughout the programming period, including in the case of transfer between priorities within a programme or between programmes.</p>	<p>In order to concentrate the support on key Union priorities <i>and in line with the objectives of social, economic and territorial cohesion set out in Article 174</i>, it is also appropriate that thematic concentration requirements should be respected throughout the programming period, including in</p>

	the case of transfer between priorities within a programme or between programmes.
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### Amendment 7

#### Article 2

<i>Text proposed by the European Commission</i>	<i>CoR amendment</i>
<p>1. In accordance with the policy objectives set out in Article [4(1)] of Regulation (EU) 2018/xxxx[new CPR], the ERDF shall support the following specific objectives:</p> <p>(a) 'a smarter Europe by promoting innovative and smart economic transformation' ('PO 1') by:</p> <p>(i) enhancing research and innovation capacities and the uptake of advanced technologies;</p> <p>(ii) reaping the benefits of digitisation for citizens, companies and governments;</p> <p>(iii) enhancing growth and competitiveness of SMEs;</p> <p>(iv) developing skills for smart specialisation, industrial transition and entrepreneurship;</p> <p>(b) 'a greener, low-carbon Europe by promoting clean and fair energy transition, green and blue investment, the circular economy, climate adaptation and risk prevention and management ('PO 2') by:</p> <p>(i) promoting energy efficiency measures;</p> <p>(ii) promoting renewable energy;</p> <p>(iii) developing smart energy systems, grids and storage at local level;</p> <p>(iv) promoting climate change adaptation, risk prevention <b>and disaster resilience</b>;</p> <p>(v) promoting sustainable water management;</p> <p>(vi) promoting the transition to a circular economy;</p> <p>(vii) enhancing biodiversity, green infrastructure in the urban environment, and reducing pollution;</p> <p>(c) 'a more connected Europe by enhancing mobility and regional ICT connectivity' ('PO 3') by:</p>	<p>1. In accordance with the policy objectives set out in Article [4(1)] of Regulation (EU) 2018/xxxx[new CPR], the ERDF shall support the following specific objectives:</p> <p>(a) 'a smarter Europe by promoting innovative and smart economic transformation' ('PO 1') by:</p> <p>(i) enhancing research and innovation capacities and the uptake of advanced technologies;</p> <p>(ii) reaping the benefits of digitisation for citizens, companies and governments;</p> <p>(iii) enhancing growth and competitiveness of SMEs;</p> <p>(iv) developing skills <b>and supporting activities</b> for smart specialisation, industrial transition and entrepreneurship;</p> <p>(b) 'a greener, low-carbon Europe by promoting clean and fair energy transition <b>and sustainable urban mobility</b>, green and blue investment, the circular economy, climate adaptation and risk prevention and management ('PO 2') by:</p> <p>(i) promoting energy efficiency measures, <b>taking into account that energy poverty should not be increased</b> ;</p> <p>(ii) promoting renewable energy;</p> <p>(iii) developing smart energy systems, grids and storage at local level;</p> <p>(iv) promoting climate change adaptation, risk prevention <b>including seismic risk prevention and promoting resilience to disasters and extreme weather events</b>;</p> <p>(v) promoting sustainable water management;</p> <p>(vi) promoting the transition to a circular economy;</p>

<p>(i) enhancing digital connectivity;</p> <p>(ii) developing a sustainable, climate resilient, intelligent, secure and intermodal TEN-T;</p> <p>(iii) developing sustainable, climate resilient, intelligent and intermodal national, regional and local mobility, including improved access to TEN-T and cross-border mobility;</p> <p><b>(iv) promoting sustainable multimodal urban mobility;</b></p> <p>(d) 'a more social Europe implementing the European Pillar of Social Rights' ('PO 4') by:</p> <p>(i) enhancing the effectiveness of labour markets and access to quality employment through developing social innovation and infrastructure;</p> <p>(ii) improving access to inclusive and quality services in education, training and lifelong learning through developing infrastructure;</p> <p>(iii) increasing the socioeconomic integration of marginalised communities, migrants and disadvantaged groups, through integrated measures including housing and social services;</p> <p>(iv) ensuring equal access to health care through developing infrastructure, including primary care;</p> <p>(e) 'a Europe closer to citizens by fostering the sustainable and integrated development of urban, rural and coastal areas and local initiatives' ('PO 5') by:</p> <p>(i) fostering the integrated social, economic and environmental development, cultural heritage and security in urban areas;</p> <p>(ii) fostering the integrated social, economic and environmental local development, cultural heritage and security, including for rural and coastal areas also through community-led local development.</p> <p>2. The Cohesion Fund shall support PO 2 and specific objectives under PO 3 set out in points (ii), (iii) and (iv) of paragraph 1(c).</p> <p>3. With regard to the specific objectives set out in paragraph 1, the ERDF or the Cohesion</p>	<p>(vii) enhancing biodiversity, green infrastructure in the urban <b>and rural</b> environment, and reducing pollution;</p> <p><b>(viii) promoting sustainable urban mobility;</b></p> <p>(c) 'a more connected Europe by enhancing mobility and regional ICT connectivity' ('PO 3') by:</p> <p>(i) enhancing digital connectivity;</p> <p>(ii) developing a sustainable, climate resilient, intelligent, secure and intermodal TEN-T;</p> <p>(iii) developing sustainable, climate resilient, intelligent and intermodal national, regional and local mobility, <b>including cycling and</b> including improved access to TEN-T and cross-border mobility;</p> <p>(d) 'a more social Europe implementing the European Pillar of Social Rights' ('PO 4') by:</p> <p>(i) enhancing the effectiveness of labour markets and access to quality employment through developing social innovation and infrastructure;</p> <p>(ii) improving access to inclusive and quality services in education, training and lifelong learning through developing infrastructure;</p> <p>(iii) increasing the socioeconomic integration of marginalised communities, migrants and disadvantaged groups, through integrated measures including housing and social services;</p> <p>(iv) ensuring equal access to health care through <b>developing health care assets</b> developing infrastructure, including primary care;</p> <p><b>(v) providing support for physical, economic and social regeneration of deprived demographically and geographically challenged communities in urban and rural areas.</b></p> <p>(e) 'a Europe closer to citizens by fostering the sustainable and integrated development of urban, rural and coastal areas and local initiatives' ('PO 5') by:</p> <p>(i) fostering the integrated social, economic and environmental development, <b>culture including</b> cultural heritage and security in urban areas, <b>including functional urban areas;</b></p> <p>(ii) fostering the integrated social, economic</p>
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<p>Fund, as appropriate, may also support activities under the Investment for jobs and growth goal, where they either:</p> <p>(a) improve the capacity of programme authorities, and bodies linked to the implementation of the Funds;</p> <p>(b) enhance cooperation with partners both within and outside a given Member State.</p> <p>Cooperation referred to in point (b) shall include cooperation with partners from cross-border regions, from non-contiguous regions or from regions located in the territory covered by a macro-regional or sea-basin strategy or a combination thereof.</p>	<p>and environmental local development, cultural heritage and security, including for rural <i>areas, mountain regions, sparsely populated areas, islands</i> and coastal areas, <i>outermost regions, as well as other types of territories</i> also targeted through community-led local development.</p> <p><i>(iii) supporting the capacity building of local and regional administrations in order to localise the Sustainable Development Goals by ensuring tailored instruments for territorial development and boosting implementation on the ground.</i></p> <p><i>(iv) integrated territorial development support for areas with high ageing, rurality and population outflow indices to improve their transport and telecommunications infrastructure, bridge the digital divide (including between generations), and improve public services including e-learning and e-health;</i></p> <p>2. The Cohesion Fund shall support PO 2 and specific objectives under PO 3 set out in points (ii), (iii) and (iv) of paragraph 1(c).</p> <p>3. With regard to the specific objectives set out in paragraph 1, the ERDF or the Cohesion Fund, as appropriate, may also support activities under the Investment for jobs and growth goal, where they either:</p> <p>(a) improve the capacity of programme authorities, and bodies linked to the implementation of the Funds:</p> <p><i>(i) capacity-building actions geared to the modernisation of public administrations can receive additional funding from the Reform Support Programme as set out in Regulation (EU) 2018/xxx [Reform Support Programme]</i></p> <p><i>(ii) capacity building can receive additional co-financing from Regulation (EU) 2018/xxx [EAFRD] and be delivered jointly with the European Network for Rural Development (ENRD) particularly as regards urban-rural linkages and projects supporting the development of urban-areas and functional areas.</i></p> <p>(b) enhance cooperation with partners both</p>
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	<p>within and outside a given Member State.</p> <p>Cooperation referred to in point (b) shall include cooperation with partners from cross-border regions, from non-contiguous regions or from regions located in the territory covered by a macro-regional or sea-basin strategy or a combination thereof.</p>
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<b><i>Reason</i></b>
<p>In recent years, ESI funds have been directed towards the construction of small-scale infrastructure providing "recreational services" in order to promote social inclusion and combat poverty in rural and urban areas. Furthermore, the future ERDF regulation should continue to make express reference to the need to invest in physical infrastructure to regenerate deprived communities, such as sports infrastructure.</p> <p>Furthermore, Political Objective 5 should extend the territorial focus to all kinds of territory (including sub-regional level and functional areas), as well as to any territory with geographic specificities.</p> <p>On the other hand, the ERDF should strengthen its direct support to subnational governments by ensuring enhanced financing and tailored instruments for territorial development, boosting SDG implementation on the ground. This must take into account the fact that the localisation of the SDGs is a political process that includes empowering subnational governments to take action. Accordingly, the capacity building of local administration for the SDGs should be supported through the ERDF technical assistance budget allocated to PO5.</p>

### **Amendment 8**

New Article after Article 2

<b><i>Text proposed by the European Commission</i></b>	<b><i>CoR amendment</i></b>
	<p><b><i>In accordance with Article [6] of Regulation (EU) 2018/xxxx [new CPR] each Member State shall ensure adequate participation of the competent local and regional authorities in the preparation of partnership agreements and in the preparation, implementation and evaluation of the programmes supported by the ERDF and Cohesion Fund.</i></b></p>

<b><i>Reason</i></b>
<p>It is important that the partnership principle and multi-level governance are covered and guaranteed in all policy fields of Cohesion Policy, especially given the concerns regarding centralisation of cohesion policy among local and regional stakeholders.</p> <p>This amendment aims to strengthen the partnership principle by including it in the ERDF CF Regulation, thereby bringing it in line with Article [8] of Regulation (EU) 2018/xxx [ESF+] and Article [6] of Regulation (EU) 2018/xxxx [new CPR].</p>

## Amendment 9

### Article 3

<i>Text proposed by the European Commission</i>	<i>CoR amendment</i>
<p>1. With regard to programmes implemented under the Investment for jobs and growth goal, the total ERDF resources in each Member State shall be concentrated at <i>national</i> level in accordance with <i>paragraphs 3 and 4</i>.</p> <p>2. <i>With regard to the thematic concentration of support for Member States comprising outermost regions, the ERDF resources allocated specifically to programmes for the outermost regions and those allocated to all other regions shall be treated separately.</i></p> <p>3. <i>Member States shall be classified, in terms of their gross national income ratio, as follows:</i></p> <p><i>(a) those with a gross national income ratio equal to or above 100 % of the EU average ('group 1');</i></p> <p><i>(b) those with a gross national income ratio equal to or above 75 % and below 100 % of the EU average ('group 2');</i></p> <p><i>(c) those with a gross national income ratio below 75 % of the EU average ('group 3').</i></p> <p><i>For the purposes of this Article, the gross national income ratio means the ratio between the gross national income per capita of a Member State, measured in purchasing power standards and calculated on the basis of Union figures for the period from 2014 to 2016, and the average gross national income per capita in purchasing power standards of the 27 Member States for that same reference period.</i></p> <p>With regard to programmes under the Investment for Jobs and growth goal for the outermost regions, <i>they shall be classified as falling within group 3.</i></p> <p>4. <i>Member States shall comply with the following thematic concentration requirements:</i></p>	<p>1. With regard to programmes implemented under the Investment for jobs and growth goal, the total ERDF resources in each Member State shall be concentrated at <i>regional</i> level in accordance with <i>paragraph 2 article 102 of Regulation (EU) 2018/xxxx [new CPR], as follows:</i></p> <p><i>(a) in more developed regions at least 85% of the total ERDF at national level shall be allocated to priorities other than technical assistance to PO1 and PO2, and at least 30% to PO2;</i></p> <p><i>(b) in transition regions at least 45% of their total ERDF resources at national level shall be allocated to priorities other than technical assistance to PO1, and at least 30% to PO 2;</i></p> <p><i>(c) in less developed regions at least 35% of their total ERDF resources at national level shall be allocated to priorities other than technical assistance to PO1, and at least 30% to PO2.</i></p> <p>2. With regard to programmes under the Investment for Jobs and growth goal for the outermost regions, <i>they shall be considered to be less developed regions.</i></p> <p>3. The thematic concentration requirements set out in paragraph <i>I</i> shall be complied with throughout the entire programming period, including when ERDF allocations are transferred between priorities of a programme or between programmes and at the mid-term review in accordance with Article [14] of Regulation (EU) 2018/xxxx [new CPR].</p> <p>4. Where the ERDF allocation with regard to PO1 or PO2 or both of a given programme is reduced following a decommitment under Article [99] of Regulation (EU) 2018/xxxx [new CPR],</p>

<p>(a) <i>Member States of group 1 shall allocate at least 85 % of their total ERDF resources under priorities other than for technical assistance to PO 1 and PO 2, and at least 60 % to PO 1;</i></p> <p>(b) <i>Member States of group 2 shall allocate at least 45 % of their total ERDF resources under priorities other than for technical assistance to PO 1, and at least 30 % to PO 2;</i></p> <p>(c) <i>Member States of group 3 shall allocate at least 35 % of their total ERDF resources under priorities other than for technical assistance to PO 1, and at least 30 % to PO 2.</i></p> <p>5. The thematic concentration requirements set out in paragraph 4 shall be complied with throughout the entire programming period, including when ERDF allocations are transferred between priorities of a programme or between programmes and at the mid-term review in accordance with Article [14] of Regulation (EU) 2018/xxxx [new CPR].</p> <p>6. Where the ERDF allocation with regard to PO 1 or PO 2 or both of a given programme is reduced following a decommitment under Article [99] of Regulation (EU) 2018/xxxx [new CPR], or due to financial corrections by the Commission in accordance with Article [98] of that Regulation, compliance with the thematic concentration requirement set out in paragraph 4 shall not be re-assessed.</p>	<p>or due to financial corrections by the Commission in accordance with Article [98] of that Regulation, compliance with the thematic concentration requirement set out in paragraph 2 shall not be re-assessed.</p> <p><i>4.a. In duly justified cases Member States in consultation with the regions concerned may request for a reduction of the thematic concentration rate at the level of categories of the regions, up to a maximum of 10 %.</i></p>
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<i>Reason</i>
<p>(1) The centralised allocation mechanism was a point of concern that was raised by most regional stakeholders (CoR, AER, CPMR, CEMR). This goes against the place-based approach of Cohesion Policy.</p> <p>(2) Outermost regions should be considered as less developed regions, because of the specific issues they have that need to be addressed.</p> <p>(3) The thematic concentration system should include a marge of flexibility for national and regional singularities in order to avoid that similar categories of European regions have to differently concentrate the Funds because of the GNI of their Member States.</p>

## Amendment 10

### Article 4

<i>Text proposed by the European Commission</i>	<i>CoR amendment</i>
<p>1. The ERDF shall support the following:</p> <ul style="list-style-type: none"> <li>(a) investments in infrastructure;</li> <li>(b) investments in access to services;</li> <li>(c) productive investments in SMEs;</li> <li>(d) equipment, software and intangible assets;</li> <li>(e) information, communication, studies, networking, cooperation, exchange of experience and activities involving clusters;</li> <li>(f) technical assistance.</li> </ul> <p><b><i>In addition, productive</i></b> investments in enterprises other than SMEs can be supported <b><i>when they involve cooperation with SMEs</i></b> in research and innovation activities supported under point (a)(i) of Article 2 (1).</p> <p>In order to contribute to the specific objective under PO 1 set out in point (a) (iv) of Article 2(1), the ERDF shall also support training, lifelong learning and education activities.</p> <p>2. Under the European territorial cooperation goal (Interreg), the ERDF may also support:</p> <ul style="list-style-type: none"> <li>(a) sharing of facilities and of human resources;</li> <li>(b) accompanying soft investments and other activities linked to PO 4 under the European Social Fund Plus as set out in Regulation (EU) 2018/xxxx [new ESF+].</li> </ul>	<p>1. The ERDF shall support the following:</p> <ul style="list-style-type: none"> <li>(a) investments in infrastructure;</li> <li>(b) investments in access to services;</li> <li>(c) productive investments in SMEs;</li> <li>(d) equipment, software and intangible assets;</li> <li>(e) information, communication, studies, networking, cooperation, exchange of experience and activities involving clusters;</li> <li>(f) technical assistance.</li> </ul> <p><b><i>Productive</i></b> investments in enterprises other than SMEs can be supported in research and innovation activities supported under point (a)(i) of Article 2 (1) <b><i>or business infrastructure that benefits SMEs.</i></b></p> <p>In order to contribute to the specific objective under PO 1 set out in point (a) (iv) of Article 2(1), the ERDF shall also support training, lifelong learning and education activities.</p> <p>2. Under the European territorial cooperation goal (Interreg), the ERDF may also support:</p> <ul style="list-style-type: none"> <li>(a) sharing of facilities and of human resources <b><i>and all types of infrastructure across borders in all regions;</i></b></li> <li>(b) accompanying soft investments and other activities linked to PO 4 under the European Social Fund Plus as set out in Regulation (EU) 2018/xxxx [new ESF+].</li> </ul>

<b><i>Reason</i></b>
<p>It should be noted that the admission in PO1 of production investments and the support of business infrastructure only in the SME sector (or in cooperation with SMEs) is too restrictive. In particular, it is not justified in the face of a high concentration of cohesion policy priorities on the support of research and innovation and the use of advanced technologies, where the presence of entities with the status of a large enterprise in the catalogue of recipients/beneficiaries is a necessity (including spin-off companies).</p>

## Amendment 11

### Article 6

<i>Text proposed by the European Commission</i>	<i>CoR amendment</i>
<p>1. The ERDF and the Cohesion Fund shall not support:</p> <p>(a) the decommissioning or the construction of nuclear power stations;</p> <p>(b) investment to achieve the reduction of greenhouse gas emissions from activities listed in Annex I to Directive 2003/87/EC of the European Parliament and of the Council;</p> <p>(c) the manufacturing, processing and marketing of tobacco and tobacco products;</p> <p>(d) undertakings in difficulty, as defined in point 18 of Article 2 of Commission Regulation (EU) No 651/2014;</p> <p>(e) investment in airport infrastructure <i>except for</i> outermost regions;</p> <p>(f) investment in disposal of waste in landfill;</p> <p>(g) investment in facilities for the treatment of residual waste;</p> <p>(h) investment related to production, processing, distribution, storage or combustion of fossil fuels, with the exception of investment related to clean vehicles as defined in Article 4 of Directive 2009/33/EC of the European Parliament and of the Council;</p> <p>(i) investment in broadband infrastructure in areas in which there are at least two broadband networks of equivalent category;</p> <p>(j) funding for the purchase of rolling stock for use in rail transport, except if it is linked to the:</p> <p>(i) discharge of a publicly tendered public service obligation under Regulation 1370/2007 as amended;</p> <p>(ii) provision of rail transport services on lines fully opened to competition, and the beneficiary is a new entrant eligible for funding under Regulation (EU) 2018/xxxx [Invest EU regulation].</p> <p>2. In addition, the Cohesion Fund shall not support investment in housing unless related to the promotion of energy efficiency or renewable</p>	<p>1. The ERDF and the Cohesion Fund shall not support:</p> <p>(a) the decommissioning or the construction of nuclear power stations;</p> <p>(b) investment to achieve the reduction of greenhouse gas emissions from activities listed in Annex I to Directive 2003/87/EC of the European Parliament and of the Council;</p> <p>(c) the manufacturing, processing and marketing of tobacco and tobacco products;</p> <p>(d) undertakings in difficulty, as defined in point 18 of Article 2 of Commission Regulation (EU) No 651/2014;</p> <p>(e) investment in airport infrastructure <i>unless related to environmental protection or accompanied by investment necessary to mitigate or reduce its negative environmental impact and with the exception of the</i> outermost regions;</p> <p>(f) investment in disposal of waste in landfill;</p> <p>(g) investment in facilities for the <i>final</i> treatment of <i>(not separately collected, mixed)</i> residual waste <i>that is not in line with the waste hierarchy according to Article 4 of the Directive (EU) 2018/851 and with the exception of the outermost regions in certain duly substantiated cases</i>;</p> <p>(h) investment related to production, processing, distribution, storage or combustion of fossil fuels, with the exception of investment related to clean vehicles as defined in Article 4 of Directive 2009/33/EC of the European Parliament and of the Council;</p> <p>(i) investment in broadband infrastructure in areas in which there are at least two broadband networks of equivalent category;</p> <p>(j) funding for the purchase of rolling stock for use in rail transport, except if it is linked to the:</p> <p>(i) discharge of a publicly tendered public service obligation under Regulation 1370/2007 as</p>

<p>energy use.</p> <p>3. Overseas countries and territories shall not be eligible for support from the ERDF or the Cohesion Fund, but may participate in Interreg programmes in accordance with the conditions set out in Regulation (EU) 2018/xxxx [ETC (Interreg)].</p>	<p>amended;</p> <p>(ii) provision of rail transport services on lines fully opened to competition, and the beneficiary is a new entrant eligible for funding under Regulation (EU) 2018/xxxx [Invest EU regulation].</p> <p><b>(k) actions that contribute to any form of social exclusion or discrimination.</b></p> <p>2. In addition, the Cohesion Fund shall not support investment in housing unless related to the promotion of energy efficiency or renewable energy use.</p> <p>3. Overseas countries and territories shall not be eligible for support from the ERDF or the Cohesion Fund, but may participate in Interreg programmes in accordance with the conditions set out in Regulation (EU) 2018/xxxx [ETC (Interreg)].</p>
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<b>Reason</b>
<p>Ad 1. (e) The CoR suggests considering the climate and environmental aspects of airport infrastructure as set out the current Regulation (EU) 2013/1301 [ERDF].</p>
<p>Ad 1. (g) Clarification of "residual" waste.</p>
<p>Ad 1. (k) Recital (5) of the ERDF Regulation sets out the principles, including that of equality and non-discrimination, which should be respected when implementing the ERDF and Cohesion Fund. The Funds should not support actions that contribute to any form of segregation. However, this principle is no longer included in the articles of the Regulation, unlike in the previous programming period. The CoR wants to ensure that Member States respect these obligations.</p>

## Amendment 12

### Article 8

<b>Text proposed by the European Commission</b>	<b>CoR amendment</b>
<p>1. The ERDF may support integrated territorial development within programmes under both goals referred to in Article 4(2) of Regulation (EU) 2018/xxxx [new CPR] in accordance with Chapter II of Title III of that Regulation [new CPR].</p>	<p>1. The ERDF may support integrated territorial development within programmes under both goals referred to in Article 4(2) of Regulation (EU) 2018/xxxx [new CPR] in accordance with Chapter II of Title III of that Regulation [new CPR].</p>
<p>2. Member States shall implement integrated territorial development, supported by the ERDF, <b>exclusively</b> through the forms referred to in Article [22] of Regulation (EU) 2018/xxxx [new</p>	<p>2. Member States shall implement integrated territorial development, supported by the ERDF, <b>including</b> through the forms referred to in Article [22] of Regulation (EU) 2018/xxxx [new</p>

CPR].	CPR]. <i>This may also take the form of a multi-fund approach with ESF+ and be articulated, where appropriate, with EAFRD and the EMFF.</i>
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<i>Reason</i>
Some Member States have, in the past, successfully pursued other forms of integrated territorial development. It is not clear why the use of these other forms should be ruled out in future.

### Amendment 13

#### Article 9

<i>Text proposed by the European Commission</i>	<i>CoR amendment</i>
<p>1. The ERDF shall support integrated territorial development based on territorial strategies in accordance with Article [23] of Regulation (EU) 2018/xxxx [new CPR] focused on urban areas ('sustainable urban development') within programmes under both goals referred to in Article 4(2) of that Regulation.</p> <p>2. At least 6% of the ERDF resources at national level under the Investment for jobs and growth goal, other than for technical assistance, shall be allocated to sustainable urban development in the form of community-led local development, integrated territorial investments or another territorial tool under PO5. The programme or programmes concerned shall set out the planned amounts for this purpose under point (d)(vii) of Article [17(3)] of Regulation (EU) 2018/xxxx [new CPR].</p> <p>3. The percentage allocated to sustainable urban development under paragraph 2 shall be complied with throughout the entire programming period when ERDF allocations are transferred between priorities of a programme or between programmes, including at the mid-term review in accordance with Article [14] of Regulation (EU) 2018/xxxx [new CPR].</p> <p>4. Where the ERDF allocation is reduced following a decommitment under Article [99] of Regulation (EU) No [new CPR], or due to</p>	<p>1. The ERDF shall support integrated territorial development based on territorial strategies in accordance with Article [23] of Regulation (EU) 2018/xxxx [new CPR] focused on urban areas ('sustainable urban development') within programmes under both goals referred to in Article 4(2) of that Regulation.</p> <p>2. At least 6% of the ERDF resources at national level under the Investment for jobs and growth goal, other than for technical assistance, shall be allocated to sustainable urban development in the form of community-led local development, integrated territorial investments or another territorial tool under PO5. <b><i>This minimum of 6% earmarked for sustainable urban development should be determined by operations from PO5, as well as from specific policy objectives 1-4, as noted in Annex 1.</i></b> The programme or programmes concerned shall set out the planned amounts for this purpose under point (d)(vii) of Article [17(3)] of Regulation (EU) 2018/xxxx [new CPR].</p> <p>3. The percentage allocated to sustainable urban development under paragraph 2 shall be complied with throughout the entire programming period when ERDF allocations are transferred between priorities of a programme or between programmes, including at the mid-term review in accordance with Article [14] of Regulation (EU) 2018/xxxx [new CPR].</p>



<p>financial corrections by the Commission in accordance with Article [98] of that Regulation, compliance with paragraph 2 shall not be re-assessed.</p>	<p>4. Where the ERDF allocation is reduced following a decommitment under Article [99] of Regulation (EU) No [new CPR], or due to financial corrections by the Commission in accordance with Article [98] of that Regulation, compliance with paragraph 2 shall not be re-assessed.</p>
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<b>Reason</b>
<p>Clarification. This point is already mentioned in the Regulation in a footnote to Annex 1, but it is clearer to mention it in the articles.</p>

### Amendment 14

#### Article 10

<b><i>Text proposed by the European Commission</i></b>	<b><i>CoR amendment</i></b>
<p>1. The ERDF shall also support the European Urban Initiative, implemented by the Commission in direct and <i>indirect</i> management. This initiative shall cover all urban areas and shall support the Urban Agenda of the Union.</p> <p>2. The European Urban Initiative shall consist of the following three strands, all with regard to sustainable urban development:</p> <ul style="list-style-type: none"> <li>(a) support of capacity-building;</li> <li>(b) support of innovative actions;</li> <li>(c) support of knowledge, policy development and communication.</li> </ul> <p>Upon request from one or more Member States, the European Urban Initiative may also support inter-governmental cooperation on urban matters.</p>	<p>1. The ERDF shall also support the European Urban Initiative, implemented by the Commission in direct and <i>shared</i> management. This initiative shall cover all urban areas and shall support the <i>partnerships and organisational costs of the</i> Urban Agenda of the Union.</p> <p>2. The European Urban Initiative shall consist of the following three strands, all with regard to sustainable urban development:</p> <ul style="list-style-type: none"> <li>(a) support of capacity-building; <i>including a programme of exchange for local representatives (Erasmus for local and regional representatives).</i></li> <li>(b) support of innovative actions;</li> <li>(c) support of knowledge, <i>territorial impact assessments</i>, policy development and communication.</li> </ul> <p>Upon request from one or more Member States, the European Urban Initiative may also support inter-governmental cooperation on urban matters <i>such as the Reference Framework for Sustainable Cities and the Territorial Agenda of the European Union, and the localisation of the UN Sustainable Development Goals;</i></p>

***Reason***

There is a proliferation of local, urban and sub-regional development, innovation and capacity building schemes, which are very often disconnected or underfunded. Bringing them under the same roof and linking them to related initiatives outside the ESIF regulatory framework will guarantee more consistency, avoid overlap and ensure cross-fertilisation. Also, it is essential to ensure that the final beneficiaries, the local authorities, do receive the main part of the capacity-building funding, unlike the current situation with TO9 and Technical Assistance.

**Amendment 15**

Article 11

<b><i>Text proposed by the European Commission</i></b>	<b><i>CoR amendment</i></b>
<p>1. The specific additional allocation for the outermost regions shall be used to offset the additional costs incurred in these regions as a result of one or several of the permanent restraints to their development listed in Article 349 of the TFEU.</p> <p>2. The allocation referred to in paragraph 1 shall support:</p> <p>(a) the activities within the scope as set out in Article 4;</p> <p>(b) by way of derogation from Article 4, measures covering operating costs with a view to offsetting the additional costs incurred in the outermost regions as a result of one or several of the permanent restraints to their development listed in Article 349 of the TFEU.</p> <p>The allocation referred to in paragraph 1 may also support expenditure covering compensation granted for the provision of public service obligation and contracts in the outermost regions.</p> <p>3. The allocation, referred to in paragraph 1, shall not support:</p> <p>(a) operations involving products listed in Annex I to the TFEU;</p> <p>(b) aid for the transport of persons authorised under point (a) of Article 107(2) of the TFEU;</p> <p>(c) tax exemptions and exemption of social charges</p> <p>(d) public services obligations not discharged by undertakings and where the State acts by exercising public power.</p>	<p>1. The specific additional allocation for the outermost regions shall be used to offset the additional costs incurred in these regions as a result of one or several of the permanent restraints to their development listed in Article 349 of the TFEU. <b><i>The specific additional allocation for the outermost regions shall be excluded from thematic concentration.</i></b></p> <p>2. The allocation referred to in paragraph 1 shall support:</p> <p>(a) the activities within the scope as set out in Article 4;</p> <p>(b) by way of derogation from Article 4, measures covering operating costs with a view to offsetting the additional costs incurred in the outermost regions as a result of one or several of the permanent restraints to their development listed in Article 349 of the TFEU.</p> <p>The allocation referred to in paragraph 1 may also support expenditure covering compensation granted for the provision of public service obligation and contracts in the outermost regions.</p> <p>3. The allocation, referred to in paragraph 1, shall not support:</p> <p>(a) operations involving products listed in Annex I to the TFEU;</p> <p>(b) aid for the transport of persons authorised under point (a) of Article 107(2) of the TFEU;</p> <p>(c) tax exemptions and exemption of social charges</p>

	<p>(d) public services obligations not discharged by undertakings and where the State acts by exercising public power.</p> <p><b>4. By way of derogation from Article 4, the ERDF may support productive investment in enterprises in the outermost regions, irrespective of the size of those enterprises.</b></p>
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<b>Reason</b>
Given the specific nature of outermost regions, support that only favours SMEs could only have a limited leverage effect.

**Amendment 16**  
New Article after Article 11

<i>Text proposed by the European Commission</i>	<i>CoR amendment</i>
	<p><b><i>Areas with natural or demographic handicaps</i></b></p> <p><b><i>In programmes co-financed by the ERDF, covering areas with severe and permanent natural or demographic handicaps, as referred to in Article 174 of TFEU, particular attention shall be paid to addressing the specific difficulties of those areas.</i></b></p> <p><b><i>In particular, NUTS III areas with a population below 12.5 hab/km<sup>2</sup> or with an average annual population decrease of more than -1% since 2007 shall be subject to specific regional and national plans to attract more people to the region and encourage them to stay, as well as to increase business investment and digital and public services accessibility, including dedicated funding as part of the partnership agreement.</i></b></p>

<b>Reason</b>
<p>This new article covers both the sparsely populated areas and, more broadly, all sub-regional areas of the rest of the EU27 covered by Article 174. However, it is necessary to identify financially manageable ERDF allocations, which do not overlap with that some regions are getting already.</p> <p>So, the formula proposed is to set eligibility in</p> <ul style="list-style-type: none"> <li>- NUTS III (as this is often a sub-regional rather than a regional NUTS II problem, and the current maps hide it).</li> <li>- either 12.5 hab/km<sup>2</sup> (like the northern periphery areas)</li> </ul>

- or with a net population decrease (i.e. both population outflow or simply death of native population) since 2007, as this is roughly the start of the financial crisis and also the start of the previous programming period).

This proposal generates an obligation for the Commission to include it as one of their proposals to the relevant MS in their position papers, which launch the negotiation with each MS of the partnership agreement.

Data and map from the German Federal Ministry BBR

<https://bit.ly/2KItBya>.

## Amendment 17

### ANNEX I

Common output and result indicators for the ERDF and the Cohesion Fund - Article 7(1)

Table 1: Common output and result indicators for ERDF (Investment for jobs and growth and Interreg) and the Cohesion Fund\*\*

Add new results common indicators (RCR)

<i>Text proposed by the European Commission</i>	<i>CoR amendment</i>
<p>RCR 26 - <i>Annual final energy consumption (of which: residential, private non-residential, public non-residential)</i></p> <p>RCR 27 - Households with improved energy performance of their dwellings</p> <p>RCR 28 - Buildings with improved energy classification (of which: residential, private non-residential, public non-residential)</p> <p>RCR 29 - Estimated greenhouse gas emissions*</p> <p>RCR 30 - Enterprises with improved energy performance</p> <p><b>RCR 31 - Total renewable energy produced (of which: electricity, thermal)</b></p> <p><b>RCR 32 - Renewable energy: Capacity connected to the grid (operational)*</b></p>	<p>RCR 26 - <i>% of annual energy savings for the entire building stock (compared to a baseline) in line with the objective of reaching a highly efficient and decarbonised building stock as set out in the national long-term renovation strategy to support renovation of the national stock of residential and non-residential buildings;</i></p> <p>RCR 27 - Households with improved energy performance of their dwellings, <b>reaching at least 60% energy savings compared to pre-renovation levels (EC definition of deep renovation);</b></p> <p>RCR 28 - Buildings with improved energy classification (of which: residential, private non-residential, public non-residential), <b>achieving an EPC of B after renovation;</b></p> <p><b>RCR [...] - Households with improved energy performance of their dwellings, reaching Nearly Zero Energy Buildings (nZEB) standard level after renovation</b></p> <p>RCR 29 - Estimated greenhouse gas emissions*</p> <p>RCR 30 - Enterprises with improved energy performance</p>

	<p><i>RCR [...] - Number of energy poor/vulnerable consumers supported to improve the energy performance of their dwelling.</i></p> <p><i>RCR [...] - Total final renewable energy consumption and consumption per sector (heating and cooling, transport, electricity);</i></p> <p><i>RCR [...] - Share of total renewable energy produced;</i></p> <p><i>RCR [...] - Reduction of annual import of non-renewable energy.</i></p> <p><i>RCR[...] – Renewable energy: Capacity connected to the grid (operational)*</i></p>
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<i>Reason</i>
<p>The set of respective indicators on energy efficiency and renewable energy needs to be expanded.</p> <p>There is a clear lesson to learn from the current funding period: a quantitative target without a priori commitments, quality control or a solid tracking and monitoring methodology risks losing its climate credentials.</p> <p>The climate indicators proposed by the European Commission are incomplete and sometimes simplistic: without assessing the respective target value from the perspective of what is technically feasible and financially opportune, some indicators will amount to a simple counting of beneficiaries. For example, one ERDF output indicator "RCO 18 - Households supported to improve energy performance of their dwelling" is measured against the result indicator, "RCR 27 - Households with improved energy performance of their dwellings". Whereas this indicator pair indicates the total number of households benefitting from the measure, it does not display the level improvement of the energy performance - which in the end could be high, or marginal. This implies that targets could potentially be set low without the performance framework being able to assess the level of ambition of the respective measure.</p>

### **Amendment 18**

#### ANNEX I

Common output and result indicators for the ERDF and the Cohesion Fund - Article 7(1)

Table 1: Common output and result indicators for ERDF (Investment for jobs and growth and Interreg) and the Cohesion Fund

Add new Results Common Indicators (RCR) after RCR 65

<i>Text proposed by the European Commission</i>	<i>CoR amendment</i>
	<i>RCR [...] Vacancies unfilled for over 6 months</i>

<i>Reason</i>
The common output indicator (RCO) 61 - Annual unemployed persons served by enhanced facilities for employment services (capacity) has a common result indicator for the first part (RCR 65 - Job seekers using annually the services of the employment services supported). An indicator for the second part seems to be missing.

### **Amendment 19**

#### ANNEX II

Core set of performance indicators for the ERDF and the Cohesion Fund referred to in Article 7(3)

Policy objective: 2. A greener, low-carbon Europe by promoting clean and fair energy transition, green and blue investment, the circular economy, climate adaptation and risk prevention and management

Add new common output indicator (CCO) after CCO 09

<i>Text proposed by the European Commission</i>	<i>CoR amendment</i>
	<i>CCO [...] – Increased climate change adaptation, increased risk prevention, including seismic risk prevention and better resilience to disasters and extreme weather events.</i>

<i>Reason</i>
A new common output indicator (CCO) that seemed to be missing is added for the PO2 specific objective of promoting climate change adaptation, risk prevention, including seismic risk prevention and resilience to disasters and extreme weather events.

## **II. POLICY RECOMMENDATIONS**

### THE EUROPEAN COMMITTEE OF THE REGIONS

1. welcomes the Commission's ambition to simplify the rules for the 2021-2027 programming period and notes that the ERDF and Cohesion Fund are merged in a single regulation that sets out the applicable rules covering both funds. The new proposal for a regulation is shorter as the CPR covers many common parts;
2. welcomes the fact that Cohesion Policy still applies to all EU regions, with the majority of its resources focused on the most vulnerable areas; notes with approval that the European Commission's proposal for this legislative act in an area that falls within shared competence, complies with the principles of subsidiarity and proportionality;
3. notes with concern that the Commission's proposal for a multi-annual financial framework provides for a sharp decrease in the Cohesion Fund budget of 46% and a stable budget for the

ERDF (+1%). Regrets the cut by 12% of the budget for European Territorial Cooperation, despite its being recognised as one of the policies with the most tangible EU added-value;

4. recalls that the Cohesion Fund has continuously proven to have high European added value and that it improves the EU's image in the eyes of its citizens. The Cohesion Fund represents the expressed solidarity of "richer" Member States with "poorer" ones in terms of building key infrastructure, with clear and proven benefits for those Member States that contribute most to the EU budget. The proposed cuts will most likely hamper achievement of the Treaty objectives of economic, social and territorial cohesion;
5. notes that the European Commission proposes to set a goal for climate-related spending of 25% of the total MFF in 2021-2027. However, the quantitative target is far below what is possible and necessary to fully implement the EU's commitments under the Paris Agreement. Cohesion Policy applies a rather elaborated climate tracking system as compared to other funds: the ERDF would deliver 30% climate action, the Cohesion Fund 37%;
6. is concerned about the fact that achieving the Paris targets will represent a major challenge for Europe. The CoR has long been a defender of ambitious climate objectives and, since the ERDF and Cohesion Fund are the main financial instrument in the EU budget to contribute to the climate objectives, Cohesion Policy's horizontal enabling conditions should include a requirement on the part of Member States to fulfil the obligations stemming from the Paris Agreement objectives; moreover, these should be closely monitored throughout the programming period to make sure that contributions to climate objectives are still on the right track;
7. welcomes the fact that the ERDF and CF have become "greener" and that polluting activities will be excluded from the scope of the regulation;
8. welcomes the new specific INTERREG component for innovative interregional investments to support the clustering of actors involved in smart specialisation strategies across Europe and the new component for outermost regions. Calls on the European Commission to increase the overall ETC budget in order to maintain a credible budget for Interreg Europe and for cross-border co-operation, while investing in new forms of co-operation;
9. calls for the promotion of the principle of non-discrimination from programming to reporting and the incorporation of Gender Responsive Budgeting into all stages of implementation;
10. objects to the proposal that the ERDF thematic concentration will focus on the national level; this centralised allocation mechanism goes against the place-based approach and the multilevel governance principle of Cohesion Policy;
11. points out the growing separation of funds and, in particular, regrets that the EAFRD has been taken out of the Common Provision Regulation that sets out common rules applicable to various funds.

12. underlines the necessity of strong complementarities between the ERDF and the ESF+ in order to carry out integrated and comprehensive initiatives at local level;
13. notes that Member States are encouraged to transfer 5% of ERDF or CF resources to the new InvestEU instrument and also to transfer a further 5% of their ERDF allocation to EU programmes managed by the EC. However, the shared management approach has had a demonstrated impact on the economic, social and territorial cohesion for Europe. Any transfer by the Member State should be decided with the involvement of the local and regional partners in line with the partnership principle and multilevel government;
14. supports the increased focus on sustainable urban development by dedicating 6% of ERDF resources at national level to this area;
15. notes that product and result indicators for the ERDF and the Cohesion Fund should be defined and unambiguous in interpretation, including, above all, assigned units of measurement in Annexes I and II and be able to aggregate from the level of projects to the level operational programmes and cohesion policy objectives, and their measurement should not constitute an excessive burden for beneficiaries.

Brussels, 5 December 2018

The President  
of the European Committee of the Regions

Karl-Heinz Lambertz

The Secretary-General  
of the European Committee of the Regions

Jiří Buriánek



### III. PROCEDURE

<b>Title</b>	European Regional Development Fund and Cohesion Fund
<b>Reference(s)</b>	COM (2018) 372 - final
<b>Legal basis</b>	Article 307 TEFU
<b>Procedural basis</b>	Rule 41 a) of the CoR Rules of Procedure
<b>Date of Council/EP referral/Date of Commission letter</b>	<ul style="list-style-type: none"> <li>– Letter from the Commission dated 30 May 2018</li> <li>– Council referral letter dated 19 June 2018</li> <li>– EP referral letter dated 11 June 2018</li> </ul>
<b>Date of Bureau/President's decision</b>	28 June 2018
<b>Commission responsible</b>	Commission for Territorial Cohesion Policy and the EU Budget
<b>Rapporteur</b>	Michiel Rijsberman (NL/ALDE), Regional Minister of the Province of Flevoland
<b>Analysis</b>	10 July 2018
<b>Discussed in commission</b>	N/A
<b>Date adopted by commission</b>	24 October 2018
<b>Result of the vote in commission (majority, unanimity)</b>	majority
<b>Date adopted in plenary</b>	5 December 2018
<b>Previous Committee opinions</b>	<ul style="list-style-type: none"> <li>• Opinion on "The future of Cohesion Policy beyond 2020. For a strong and effective European cohesion policy beyond 2020" (COTER VI/015)</li> <li>• Opinion on the "Implementation assessment of the Urban Agenda for the EU" (COTER VI/37)</li> <li>• Opinion "Towards a European Agenda for Housing" (COTER-VI/025)</li> <li>• Opinion on the "Urban Mobility Package" (COTER-V-048)</li> <li>• OPINION on the "Proposal for a regulation on the ERDF" (COTER-V-18)</li> </ul>
<b>Date of subsidiarity monitoring consultation</b>	N/A