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Resolution of the European Committee of the Regions on the Mid-term review of Cohesion Policy 2021-2027

(C/2025/3474)

Having regard to:

— the Treaty on the Functioning of the European Union (TFEU), and in particular Articles 164, 174, 175, 177, 178 and 307 thereof;

— the Communication from the Commission to the European Parliament and the Council *A modernised Cohesion policy: The mid-term review* – COM(2025) 163 final;

— the proposal from the European Commission for a Regulation of the European Parliament and of the Council amending Regulations (EU) 2021/1058 and (EU) 2021/1056 as regards specific measures to address strategic challenges in the context of the mid-term review – COM(2025) 123 final;

— the proposal from the European Commission for a Regulation of the European Parliament and of the Council amending Regulation (EU) 2021/1057 establishing the European Social Fund + (ESF+) as regards specific measures to address strategic challenges – COM(2025) 164 final;

— the existing position of the European Committee of the Regions as expressed in particular in the opinion on *Review and proposal for the revision of the MFF 2021–2027*, the resolution on *Regional Emergency Support to Reconstruction (RESTORE) and EAFRD measures to provide assistance to Member States affected by natural disasters*, and the opinion on *A renewed cohesion policy post 2027 that leaves no one behind*.

Whereas:

— the legislative framework for cohesion policy provides that the mid-term review must take place based on assessments and proposals for the allocation of the flexibility amount to be submitted by 31 March 2025, and managing authorities have already submitted such assessments and proposals on this basis;

— cohesion policy's main mission is to strengthen territorial, economic and social cohesion in the European Union, in line with Article 174 TFEU. Any measures to reallocate cohesion policy resources must keep this goal in mind and must not diminish the policy's capacity to achieve its long-term objectives;

— the principles of shared management, multi-level governance, partnership, and the place-based approach are the cornerstones of cohesion policy. Any direct or indirect measures of centralisation within cohesion policy must therefore be firmly rejected;

— the co-legislators have requested the CoR to provide its position within very short deadlines that do not allow the CoR to draw up an opinion, but only to respond in the form of this urgent resolution.

THE EUROPEAN COMMITTEE OF THE REGIONS (COR):

1. agrees with the European Commission that support is needed for both ongoing and emerging EU priorities such as competitiveness and decarbonisation, defence, affordable housing, energy transition, water resilience and the specific challenges faced by eastern border regions; welcomes the ambition to step up investment in these urgent priorities and appreciates the voluntary nature of this proposal;

2. points out that cohesion is a core objective established by the Treaties and that cohesion policy programmes for 2021-2027 already support investments falling under many of these areas as well as other EU priorities, that additional investments under cohesion policy are in the pipeline and that the deadline for submitting assessments and proposals for the definitive allocation of the flexibility amount under the mid-term review of these programmes has already passed;

3. welcomes the new possibility to use the ERDF to support projects to decarbonise large companies and the relaxation of the conditions for support from the Just Transition Fund (JTF) for projects carried out by large companies, given their knock-on effect on regional innovation and job creation, as well as the impact these projects can have on reducing greenhouse gas emissions in the regions. Finally, welcomes the expanded possibilities for the ESF+ to be used to help workers and businesses adapt to new industrial processes linked to the decarbonisation of production capacities, as well as to develop skills in security and defence;

4. therefore calls on the European Commission to proceed without delay with the mid-term review of programmes for which assessments and proposals have already been submitted, with a view to avoiding any delays to implementation. This must be without prejudice to the possibility for managing authorities to submit additional programme amendments on the basis of any revised legislation, should they so decide;

5. notes that the European Commission's proposals do not bring fresh or additional funding for the identified priorities but promote the reallocation of amounts already earmarked for regions under the Cohesion Fund, ERDF, JTF and ESF+, either within cohesion policy programmes on the basis of a different/preferential set of rules, or to centrally managed instruments;

6. therefore calls on the European Commission to urgently propose genuine additional resources for these new and ongoing EU priorities through a revision of the national Recovery and Resilience Plans or top-ups to funding under shared management programmes, as was the case for Recovery assistance for cohesion and the territories of Europe (REACT-EU); the national recovery and resilience plans need to be revised, including milestones, especially in countries where they are too ambitious. The European Court of Auditors, among others, points out the inconsistency of milestones in individual Member States in its report;

7. reiterates its position that the future Multiannual Financial Framework should be designed to ensure flexibility and agility across all pillars and management modes in case of new priorities and urgencies, including for example by embedding a larger emergency fund and general flexibility crisis reserve in the MFF from the outset;

8. alerts that the proposed changes by the European Commission, including the unlimited reallocation of funds and more favourable treatment for projects under new priorities compared to existing co-financing rates, could lead to a situation where there is a dramatic unbalanced availability of resources between new and ongoing priorities. This may leave management authorities and beneficiaries without the necessary funds to meet their commitments and expectations;

9. notes that the proposal may influence overall investment in the EU due to the possibility of applying a 100 % EU co-financing rate instead of rates ranging between 40 % and 85 %; recognises, however, the importance of having a higher EU co-financing rate for regions with budgetary constraints in order to keep EU funding at a high level;

10. while understanding the desire to incentivise investment, underlines that increasing co-financing to 100 % for all regions will most help the most developed regions and defund less developed regions;

11. calls on Member States to ensure continued national co-financing and to maintain the level of total investment in regions and municipalities as originally planned. Any changes to the programmes affecting their allocations should only be made with the consent of territorial partners, in line with the principles of partnership and multilevel governance;

12. notes that the proposal introduces a significant relaxation in the rules only for those priority axes and specific programmes that agree to transfer at least 15 % of their allocations to the identified priorities, potentially leading to increased complexity, with priority axes within the same programme implemented according to different rules, and slowing down implementation; also highlights the risk that this could lead to amendments motivated not only by local and regional authorities' (LRAs') potential to contribute to EU priorities but also by the easier rules; given the advanced stage of the programming period and the high level of resource commitment, calls on the European Commission to consider a reduction in the currently allowed 15 % transfer of programme allocations, and suggests that any such limit should also take into account adjustments proposed in the already submitted mid-term reviews, provided they align with the new EU priorities;

13. therefore calls on the Council and European Parliament as co-legislators to introduce clear safeguards to mitigate these risks, by removing false incentives and using the opportunity of this legislative proposal to introduce genuine simplification and flexibility for all EU regions, as well as to ensure that rule simplifications do not encourage the diversion of funds from long-term sustainable development goals or undermine the environmental and social integrity of projects;

14. agrees that investments in large enterprises are important to strengthen competitiveness, defence and decarbonisation as they steer research, innovation, knowledge and technology transfer towards other companies in their value chain, including in energy-intensive industries undergoing significant transition challenges;

15. in line with its resolution on the *Priorities of the European Committee of the Regions for 2025-2030*, underlines the important role of small and medium-sized enterprises, family businesses and solo entrepreneurs, as backbones of local communities and sustainable employment; also emphasises their role in the supply and value chains of larger companies in the ecosystem; expresses concern, on the basis of recent experience in certain regions and cities, about some investments that may be made in technological and other fields that have potential negative implications for the strategic autonomy of the EU;

16. finds it regrettable that no impact assessment, nor any assessment of potential territorial impacts, has been carried out;

17. emphasises that, now and in the future, cohesion policy must continue to be implemented on the basis of active subsidiarity, with due regard for the principles of decentralisation, multi-level governance and partnership.

Brussels, 15 May 2025.

The President

of the European Committee of the Regions

Kata TÜTTŐ