

# Common provisions on European Regional Development Fund, European Social Fund Plus, Cohesion Fund, and European Maritime and Fisheries Fund and financial rules for those and for Asylum and Migration Fund, Internal Security Fund and Border Management and Visa Instrument 2021–2027

2018/0196(COD) - 29/05/2018 - Legislative proposal

**PURPOSE:** to strengthen economic, social and territorial cohesion for the period 2021-2027 (Regulation laying down common provisions).

**PROPOSED ACT:** Regulation of the European Parliament and of the Council.

**ROLE OF THE EUROPEAN PARLIAMENT:** the European Parliament decides in accordance with the ordinary legislative procedure and on an equal footing with the Council.

**BACKGROUND:** for the next multiannual financial framework covering the period 2021-2027, the Commission proposes to **modernise cohesion policy** to help redress imbalances within and between Member States.

Given that the **rules applicable were overly complex and fragmented** between the different funds and the various forms of financing, this proposal for a Regulation aims to **establish common provisions for seven funds**, namely (i) the Cohesion Fund (CF), (ii) the European Maritime and Fisheries Fund (EMFF), (iii) the European Regional Development Fund (ERDF), (iv) the European Social Fund plus (ESF+), (v) the Asylum and Migration Fund (AMIF), (vi) the Border Management and Visa Instrument (BMVI) and (vii) the Internal Security Fund (ISF).

**CONTENT:** this proposal for a Regulation - presented for a Union of 27 Member States - seeks to create a **common set of simplified and consolidated rules** covering seven EU funds.

The main elements of the Commission proposal are as follows:

**Shared management and partnership:** part of the budget of the Union allocated to the Funds should be implemented by the Commission under shared management with Member States. Each Member State should organise partnerships with local and regional authorities, urban and public authorities, economic and social partners, civil society and bodies promoting social inclusion, fundamental rights, gender equality, non-discrimination and the rights of people with disabilities.

The contribution of EU programmes to the overall objective of increasing the share of EU spending contributing to **climate** objectives to **25%** shall be tracked through an EU climate marker system.

**Strategic approach:** the Commission proposes to reduce the eleven thematic objectives used for the period 2014-2020 to **five clear policy objectives**:

1. **a smarter Europe** by promoting innovative and smart economic transformation;
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;
3. **a more connected Europe** by enhancing mobility and regional ICT connectivity;
4. **a more social Europe** implementing the European Pillar of Social Rights;
5. **a Europe closer to citizens** by fostering the sustainable and integrated development of urban, rural and coastal areas and local initiatives.

**Simplification:** the proposal aims at **significantly reducing the unnecessary administrative burden** for beneficiaries and management bodies while maintaining a high level of assurance on legality and regularity. Among other things, it provides for:

- the use of simplified cost options, i.e. flat-rate reimbursement, standard scales of unit costs or flat-rate amounts;
- the possibility of payments based on conditions;
- the abolition of specific rules for revenue generating investments and of the procedure applicable to major projects;
- simplified financing, for example through the use of the ‘seal of excellence’;
- the extension of the single audit principle, fewer controls and an enhanced proportionate approach for programmes with a low error rate.

The proposal also increases the **flexibility** needed to meet emerging needs:

- allowing limited financial transfers between EU programmes;
- creating flexibility for the ERDF, ESF+ and the Cohesion Fund: only the first 5 years will be programmed initially. Allocations for the last 2 years will be made on the basis of a substantial and in-depth mid-term review leading to corresponding reprogramming in 2025;
- enabling voluntary transfer of resources towards the five policy windows of the InvestEU instruments to benefit from an EU-level budgetary guarantee mechanism.

Lastly, the proposal seeks to align the programmes more closely with EU priorities and increase their effectiveness, in particular by creating a **closer link with the European Semester** to improve the investment climate in Europe. Conditionality linked to the European Semester shall be simplified. In particular, country-specific recommendations (CSRs) shall be taken into account in programming at least on two occasions: at the beginning of the programming and during the mid-term review.

**Proposed overall budget:** the Commission [proposal](#) for a multiannual financial framework sets an envelope of **EUR 330 billion** for economic, social and territorial cohesion for the period 2021-2027:

- **European Regional Development Fund (ERDF): EUR 200.62 billion**, of which (i) investment for jobs and growth: EUR 190.75 billion; (ii) European territorial cooperation: EUR 8.43 billion; (iii) outermost and sparsely populated regions: EUR 1.44 billion.
- **Cohesion Fund (CF): EUR 41.34 billion**, of which contribution to the Connecting Europe Facility - Transport: EUR 10 billion.
- **European Social Fund+: EUR 88.64 billion.**

The Commission proposal for the financing of the EMFF, AMIF, BMVI and ISF shall be included in fund specific Regulations.