

# ERDF – Cohesion Fund and conditions for EU support to regional policy

## CONTEXT

As part of the European Union's budget for the 2028–2034 period, the European Commission presented a short proposal for a regulation establishing the European Fund for Regional Development (ERDF), including territorial cooperation (Interreg) and the Cohesion Fund (CF), and establishing conditions for the implementation of Union support to regional development from 2028 to 2034. However, support for regional and cohesion policy would be integrated into a larger fund (the 'Fund') that also covers areas such as fisheries and agriculture. The 'Fund' is covered by a separate regulation. Consequently, rather than launching separate, fully fledged legislative proposals on the ERDF and CF, as happened in the 2021–2027 programming period, the Commission published a much shorter ERDF/CF sectoral proposal which briefly includes these two funds but also outlines some basic conditions for funding in regional policy.

## LEGISLATIVE PROPOSAL

[2025/0238\(COD\)](#) – Proposal for a regulation establishing the European Fund for Regional Development including for European Territorial Cooperation (Interreg) and the Cohesion Fund as part of the 'Fund' and establishing conditions for the implementation of the Union support to regional development from 2028 to 2034 – [COM\(2025\) 552](#), 16 July 2025.

## NEXT STEPS IN THE EUROPEAN PARLIAMENT

For the latest developments in this legislative procedure, see the Legislative Train Schedule: [2025/0238\(COD\)](#).

### IN THIS BRIEFING

- Main points of the proposal
- Parliament's position
- Positions of other EU institutions
- Points of view



## Main points of the proposal

European Union (EU) cohesion policy is delivered through specific funds, among which are the European Regional Development Fund (ERDF) and the Cohesion Fund (CF).

The ERDF is designed to strengthen economic, social and territorial cohesion in the EU. It aims to do this by correcting imbalances between regions, enabling investments in a smarter, greener, more connected and more social Europe that is closer to its citizens. The ERDF finances [programmes](#) through shared responsibility between the European Commission and national and regional authorities in the Member States. Member States' administrations choose which projects to finance and are responsible for day-to-day management. Funds from the ERDF are allocated to three [categories of regions](#) (less developed, more developed, in transition).

The CF provides support to Member States with a gross national income (GNI) per capita below 90 % of the EU-27 average to strengthen the economic, social and territorial cohesion of the EU. It supports investments in the environment, and in transport infrastructure through the trans-European networks (TEN-T). During the 2021-2027 period, the CF covers Bulgaria, Czechia, Estonia, Greece, Croatia, Cyprus, Latvia, Lithuania, Hungary, Malta, Poland, Portugal, Romania, Slovakia and Slovenia; 37 % of the CF's overall financial allocation is expected to contribute to climate objectives.

The proposed MFF differs fundamentally from the current 2021-2027 framework. The seven headings of the 2021-2027 programming period are now regrouped into four. Crucially, under the first heading, entitled 'Economic, social and territorial cohesion, agriculture, rural and maritime prosperity', various structural funds are merged into a single fund: the 'European Fund for Economic, Territorial, Social, Rural and Maritime Sustainable Prosperity and Security', also referred to as the [National and Regional Partnership Fund](#) (the 'NRP Fund' or 'Fund'). The proposal for a regulation establishing the NRP Fund brings together 14 existing funds implemented under shared management with Member States. These existing funds cover areas such as agriculture, fisheries, cohesion, migration and security, and social policies. Under the new NRP Fund, each Member State would set up a single national and regional partnership plan (NRPP) in support of these policies, replacing the various national plans associated with each fund.

The MFF package also includes a proposal for a regulation establishing the European Fund for Regional Development including for European Territorial Cooperation (Interreg) and the Cohesion Fund as part of the 'Fund' and establishing conditions for the implementation of the Union support to regional development from 2028 to 2034. The current proposal is much shorter than the 2021-2027 regulation for the [European Regional Development Fund and the Cohesion Fund](#). It constitutes a major change from the long rules of the previous MFF regulations, which included the [Common Provisions Regulation](#) for cohesion funds but also an additional [regulation](#) for the ERDF and the CF. The new proposal includes:

- An introductory section which includes reasons and objectives for the proposal, consistency with existing policy provisions and other Union policies, the legal basis and subsidiarity provisions, choice of preferred instruments, results from ex-post evaluations and budgetary implications.
- A short regulation with three chapters: 'I. General provisions', 'II. Interreg Plan', and 'III. Final provisions'.
- The regulation states that the ERDF and CF shall support the specific objectives set out in the NRP regulation in accordance with their respective scope set out in Articles

176 and 177 of the Treaty on the Functioning of the European Union (TFEU). Chapter I includes provisions for support for disadvantaged areas, sustainable urban development and the outermost regions.

- Chapter II focuses on the scope of the Interreg Plan, the requirements in the Interreg Plan chapters, and provisions for approval and amendment of the Plan. It also includes the functions of authorities responsible for the Interreg Plan and the monitoring committee, the provisions for non-Member States, return of resources and discontinuation, as well as the Northern Ireland [PEACE PLUS](#) programme.
- Chapter III states that the European Commission shall be assisted by a committee, to be set up in accordance with the NRP. It also covers the entry into force and application of the regulation.

Table 1 summarises the changes that the Commission proposes for the ERDF and CF.

Table 1 – ERDF/CF regulatory continuity and changes (2021-2027 and 2028-2034)

	2021-2027	2028-2034
Specific objectives	ERDF/CF Regulation, Art. 3	NRPP Regulation, Art. 3
Thematic concentration	ERDF/CF Regulation, Art. 4	Flexibility
Spending targets	CPR, Art. 6 Climate: ERDF 30 %, Cohesion Fund 37 %; separate for biodiversity	NRPP Regulation, Art. 22 Social (14 %) and climate and environment spending target (43 %)
Eligibility	ERDF/CF Regulation, Art. 5-7	No expenditure-based approach. Scope of funding in terms of definition of milestones and targets. In compliance with rules, incl. specific objectives, DNSH, etc
Indicators	ERDF/CF Regulation, Annex I and II	Performance Regulation, Annex I
ITI, disadvantaged areas, sustainable urban development	ERDF/CF Regulation, Art. 9-11	ERDF/CF Regulation, Art. 5
European Urban Initiative Interregional Innovation Investments	ERDF/CF Regulation, Art. 12-13	NRPP Regulation, Annex XV Union actions under EU Facility
Outermost regions	ERDF/CF Regulation, Art.14	NRPP Regulation, Art. 46

Source: [European Council](#), presentation of the Commission proposal, September 2025.

## Framework for parliamentary scrutiny

At Parliament's [REGI committee meeting](#) of 23 September 2025, the Commission presented to REGI Members the proposal establishing the European 'Fund' for Economic, Social and Territorial Cohesion, Agriculture and Rural, Fisheries and Maritime, Prosperity and Security for the period 2028–2034. During the discussion, many Members voiced concerns about the lack of clarity over the role of regions and the potential risk of a renationalisation of cohesion policy. Some called for genuine simplification for beneficiaries. MEPs also noted the absence of detailed provisions on the allocation of investments, the scope and eligibility of costs, and on the additional allocation for outermost regions and the current earmarking for certain territories. In response, the Commission representative present in the meeting reaffirmed that the NRP proposal preserves the existing level of partnership with local and regional authorities, simplifies delivery mechanisms, and links investments to reforms on the basis of a European framework of horizontal and specific objectives, supported by a list of intervention fields.

In its October 2025 [mid-term evaluation](#) of the European Regional Development Fund, the Cohesion Fund and the Just Transition Fund, the Commission identifies a number of points that may be crucial for future parliamentary scrutiny. Most of these points are mentioned below:

- The evaluation states that implementation started late and was generally slow at the start of the period but accelerated considerably in the first half of 2024, catching up with the 2014–2020 trend. The **reasons behind the delays are largely exogenous** and relate to the COVID-19 crisis and the Russian war of aggression in Ukraine, both of which could not have been foreseen. At the same time, the simultaneous implementation of EU-level crisis response instruments, in particular the Recovery and Resilience Facility (RRF), created **absorption challenges due to the prioritisation of instruments with shorter deadlines**. Some simplification possibilities, namely simplified cost options (SCOs) and financing not linked to cost (FNLC), have remained insufficiently exploited under the three funds being evaluated, which did not help to speed up implementation.
- The three evaluated funds are well-suited to addressing regional disparities. Their intervention logic is based on territorial challenges and allows for national and decentralised regional programming and implementation. However, administrative capacity for meeting the needs outlined in territorial strategies is a key prerequisite and requires **corresponding capacity-building actions** to be carried out to ensure successful implementation. Moreover, stakeholders highlight the risk of various funds and tools being implemented as individual initiatives rather than in the context of an integrated territorial strategy.
- Partnership and multilevel governance have a strong positive effect on programme design and implementation when applied effectively, but there is still **room for improvement in relation to partnership frameworks and governance rules**.
- The fulfilment of enabling conditions is very high and corresponding reform processes can be observed in Member States. Enabling conditions effectively strengthened the strategic framework and intervention logics for ERDF and CF investments, driving policy action in areas like transport, smart specialisation, and climate and environmental planning. Further research based on more extensive implementation is needed to fully understand transmission mechanisms and interactions with

instruments such as the RRF. However, **the application of uniform conditions may limit their capacity to address local needs and challenges as they evolve over time.**

- Despite the positive reception of simplification measures, stakeholders still perceive implementation challenges. These include 'extensive reporting and auditing requirements', as well as initial difficulties in understanding and implementing some of the novelties, such as the application of the revised General Block Exemption Regulation (GBER). There is uneven uptake of some of the optional elements, namely SCOs and FNLC; incentivising the use of SCOs and FNLC schemes remains essential. Results-based financing may be better suited to some types of investments, while its use might be more complex for others.
- The transition from ex-ante conditionalities to enabling conditions in the 2021–2027 period has improved the efficiency of programming and implementation activities for cohesion policy. **Enabling conditions addressed past criticisms by reducing the number of conditions and simplifying and clarifying compliance criteria**, which most managing authorities and coordination bodies found beneficial.
- **The ERDF, CF and Just Transition Fund (JTF) make it possible to address specific development challenges which would not be pursued to the same extent in their absence.** This is due to their continuity effects, additionality, place-based approach, partnership and administrative capacity building. Shared management and multilevel governance have made the ERDF, CF and JTF more effective in delivering on their objectives.
- The **fragmentation** of EU funds with their respective rules and procedures adds to the **complexity**. Coordination can be demanding and the mechanisms in place are not always effective in exploiting complementarities and synergies. Therefore, **further simplification and alignment of rules and procedures seem necessary**. The simplification measures introduced in several programming periods have reduced administrative burden in the use of funds. However, from the perspective of beneficiaries, the complexity of the policy combined with **gold-plating practices at national or regional level still results in considerable burden**.
- Challenges linked to the parallel implementation of the RRF and ERDF, CF and JTF require continued attention. Cohesion policy implementation will likely be impacted by the trickle-down effects of RRF closure and measures to mitigate the associated risks seem necessary at this stage. More awareness-raising about the options for creating synergies between EU funds is needed.
- While the ERDF, CF and JTF delivery system is mature and effective overall, **administrative capacity building and technical support needs to continue across all regions, especially in small local municipalities, rural and remote areas, the outermost regions, and islands**.
- Enabling conditions ensure the existence of frameworks, systems and arrangements needed for effective and efficient implementation in Member States. The next steps to guarantee the right conditions for investment could include **tailored national and subnational reforms as complementing elements, where relevant, to 'financial investments in the strategic steering'**. This could involve incorporating lessons learned in the context of the RRF.

## Parliament's position

In its [7 May 2025 resolution](#) on a revamped long-term budget for the Union in a changing world, Parliament:

- considers that the 'one national plan per Member State' approach as envisaged by the Commission, with the RRF model as a blueprint, cannot be the basis for shared management spending post-2027;
- underlines that the design of shared management spending under the next MFF must fully safeguard Parliament's roles as legislator and budgetary and discharge authority, and be designed and implemented through close collaboration with regional and local authorities and all relevant stakeholders;
- calls for the next MFF to continue support for economic, social and territorial cohesion to help bind the Union together, deepen the single market, promote convergence and reduce inequality, poverty and social exclusion, and stresses that defence spending cannot come at the expense of nor lead to a reduction in long-term investment in the economic, social and territorial cohesion of the Union;
- underlines that a modernised cohesion policy must follow a decentralised, place-based, multilevel governance approach and be built around the shared management and partnership principle, fully involving local and regional authorities and relevant stakeholders and ensuring that resources are directed where they are most needed to reduce regional disparities;
- stresses that cohesion policy funding must tackle the key challenges the Union faces, such as demographic change and depopulation, and target the regions and people most in need;
- calls for enhanced access to EU funding for cities, regions and urban authorities;
- recalls that, under Article 349 TFEU, the Union is required to put in place specific measures for the outermost regions and stresses the need for continued, targeted support for these regions in the next MFF, including via a reinforced programme of options specifically relating to remoteness and insularity (POSEI).

## Positions of other EU institutions

During the Polish Presidency, an [informal meeting of the Council's Budget Committee](#) in Warsaw on 7-9 May 2025 focused on flexibility within the EU budget. Member State representatives shared their insights and addressed issues such as the balance between predictability and flexibility. They discussed how the current structure of flexibility mechanisms could be redesigned to ensure that the EU budget is better equipped to respond to unexpected needs. Discussions about the future MFF proposals are ongoing in the Council.

The Council also approved its [conclusions](#) on cohesion and cohesion policy post-2027 in March 2025. The text highlights the importance of economic, social and territorial cohesion and its role in addressing EU challenges. The conclusions also reaffirm that competitiveness and cohesion are interconnected, emphasising the role of both enhancing the competitiveness of the EU as a whole and improving cohesion across countries and regions, thereby contributing to the achievement of EU strategic priorities and addressing EU challenges in a mutually reinforcing manner. The text recalls the foundations and key principles of cohesion policy and stresses that shared management between the Commission and Member States must remain the delivery method of cohesion policy.

Finally, the conclusions recall that cohesion policy supports long-term investment and that improving its efficiency and effectiveness can be achieved by focusing on results.

In its November 2025 [resolution](#) on the proposal for the 2028–2034 multiannual financial framework, the European Committee of the Regions (CoR):

- states that, for the EU to meet the objectives of economic, social and territorial cohesion set in the TFEU and to enhance its sustainable prosperity and the long-term well-being of all its inhabitants, the EU's budget must be accessible to every territory in the EU and include allocations for all categories of regions;
- demands the definition of a specific budget for cohesion policy and, at EU level, of indicative regional allocations of resources based on the current consolidated methodology that takes into account social and economic indicators;
- is concerned about the disconnect between cohesion policy and the policy areas covered by the heading 'Competitiveness, prosperity and security' and the accelerating shift towards centrally managed funds;
- is alarmed that the NRP Fund proposal could lead to further centralisation in the hands of the Commission and to nationalisation of cohesion policy;
- firmly believes that the preparation, negotiation, implementation and monitoring of NRPPs should not be left solely in the hands of central governments;
- calls on the Commission to revise its proposal for the NRP Fund and urges all parties involved to negotiate the structure of the future MFF, recognising the widespread request from regions throughout the EU to maintain the established practice of shared management of funds and the role of regions concerning cohesion and agricultural and rural development.

The CoR is expecting to present its [opinion](#) on the ERDF and CF in 2026 and has opened a written stakeholder consultation on the file.

In its April 2025 [opinion](#) on the next MFF, the European Economic and Social Committee (EESC) suggested simplifying the current rules, as well as streamlining the current coexistence of too many programmes with overlapping objectives, which cause significant bureaucracy for public administrations, civil society and companies, as well as moving away from the current predominant model of strictly linking financing with expenditure towards a new model based on the expected performance and impact of programmes. The EESC is [planning](#) to present its opinion on the ERDF/CF regulation in 2026.

The European Court of Auditors' 2025 [report](#) on the 'Future of EU Cohesion Policy: Drawing lessons from the past' [recommends](#):

- adopting legal frameworks with as little delay as possible, to prevent fragmentation and reduce complexity and simplify rules without weakening accountability and performance;
- designing objectives that meet regional needs, to balance long-term planning with flexibility and to boost the use of simplified cost options;
- supporting reforms that facilitate implementation of EU-financed investments, exploiting synergies with directly managed programmes, and streamlining reprogramming to reduce administrative costs.

## Points of view

A number of stakeholders have positioned themselves on the proposed MFF structure and priorities. The majority of reactions and interventions from local and regional stakeholders are related to the whole MFF and in particular to the 'Fund', as this is becoming an all-encompassing fund that will replace current cohesion policy funds.

The Local Alliance – a coalition of Europe's leading local and regional governments: ACR+, CEMR, Climate Alliance, Energy Cities, Eurocities, FEDARENE, ICLEI Europe and POLIS – has issued a [position paper](#) on the next EU budget calling for stronger multilevel governance mechanisms to deliver both reforms and investments and a stronger partnership principle for the implementation of the MFF. According to the paper, experience from the current ERDF period shows that urban earmarking overshot initial allocations, underlining the strong demand for direct local investment. Without a clear urban dimension, there is a risk that challenges are not adequately addressed, slowing down Europe's collective progress. On the other hand, the absence of specific earmarking for Policy Objective 5 'Europe closer to citizens' in the current framework has led some Member States to disregard that objective entirely. The new 'Fund' must therefore guarantee adequate earmarking for urban areas, while ensuring balanced support for all territories. This would allow metropolitan hubs, smaller cities and towns alike to play their part in delivering Europe's climate, digital and social objectives, complementing investments at regional and rural levels.

The paper asks for earmarked resources for a just transition and affordable living for all, a safeguarding mechanism for the local and regional levels to guarantee their access to EU funds, and linking performance indicators to implementation of EU legislation and to territorial delivery. It asks for a robust safeguarding mechanism to be established within the governance framework of the 'Fund' to ensure that regional and local authorities retain access to EU resources when national governments fail to comply with horizontal or rule-of-law conditionalities. It states that performance indicators must be more territorial and explicitly linked to the implementation responsibilities of all levels of government. Indicators should therefore be designed to measure not only aggregate outcomes but also local and regional progress in implementing EU legislation.

Furthermore, mandatory regional, territorial and urban chapters must not remain a paper exercise – they need to be the backbone of a just transition and affordable living agenda across Europe. To be credible, they must be backed by sufficient funding across major MFF instruments, ensuring that every part of Europe can contribute to and benefit from the Union's transformation. The amount earmarked for mandatory regional, territorial and urban chapters under the 'Fund' should be at least at the current level of cohesion policy allocations, in real (inflation-adjusted) terms. Cities in particular require dedicated earmarking. Their role in implementing EU legislation and managing transitions is central, and the concentrated nature of challenges in urban areas – from housing and mobility to energy, digitalisation and social inclusion – creates specific investment needs. Challenges that European cities face in delivering the EU's clean transition, resilience and competitiveness ambitions deserve particular attention. For this reason, besides making 'regional and territorial chapters' mandatory, the Local Alliance calls for these chapters to include a specific urban section that explicitly responds to urban needs, ensuring that metropolitan and smaller urban areas are empowered to deliver Europe's climate, digital and social objectives on the ground.

The partnership principle must be strengthened and applied across all headings of the next MFF. NRPPs, the European Competitiveness Fund and other major instruments should all follow a common binding framework for high-quality partnership.

For European cities and regions that the Local Alliance represents, social, economic and territorial cohesion is not an optional add-on but a foundational principle of the Union, enshrined in the Treaties and essential to Europe's long-term competitiveness. Weakening territorial guarantees under the next MFF would not only jeopardise cohesion but also undermine the EU's ability to deliver on its green, digital, industrial and resilience agendas.

According to a [briefing](#) from the Assembly of European Regions (AER), while having a single fund is presented as simplification and is meant to reduce administrative burden, the reality is that the inclusion of regional and territorial chapters is left entirely to the discretion of Member States. This approach risks excluding regions from shaping priorities and undermines the territorial dimension of cohesion policy. In addition, by expanding the NRPPs to cover a broad range of priorities, programmes will be forced to compete against each other within a single national envelope. This could result in a smaller share of funding being dedicated to genuine cohesion and regional development objectives, particularly in disadvantaged territories. Grouping such diverse priorities under one plan risks blurring the focus of cohesion, creating divergence between goals, and undermining efforts to reduce inequalities. Flexibility may be useful, but not if it comes at the expense of cohesion's core mission. The NRPPs include only a vague mechanism for stakeholder consultation, which places regional authorities on the same level as other secondary actors such as academia or civil society organisations. This diminishes their role in shaping investment priorities and reduces multi-level governance and bottom-up approaches to little more than theoretical principles rather than applied practices.

The Conference of Peripheral Maritime Regions (CPMR) [considers](#) that the current MFF proposal will not enable the competitiveness and resilience needed to meet current and future challenges. The CPMR has identified several critical shortcomings in the proposals with regard to creating a legislative framework that sufficiently addresses EU territorial needs, such as a centralised decision-making model, a weak allocation methodology, and disregard for subsidiarity and partnership principles. These shortcomings risk not only undermining the EU's goal of cohesion but also that of global competitiveness. The CPMR rejects the proposal by the Commission to establish a single plan per Member State and calls for a more decentralised approach, empowering regional authorities to play a central role in managing and influencing the content, governance and decision-making of the funds effectively and ensuring genuine partnerships to build a resilient and prosperous future for all EU citizens. The CPMR emphasises multilevel governance and the importance of always including the regional level.

The [#CohesionAlliance](#) was created in October 2017 by the European Committee of the Regions and leading European associations of cities and regions. The Cohesion Alliance [considers](#) the MFF proposal to be inadequate for addressing the persisting cohesion gaps and for fostering the competitiveness and resilience needed to meet current and future challenges. Bundling cohesion policy together with other policies to support agriculture and rural development, defence, or migration means that local and regional authorities would compete for financial support at national level, against farmers, fishers, law enforcement agencies, large private businesses and many others. While all these objectives and components of society must be supported, the Cohesion Alliance calls for a place-based approach, where local and regional governments are in the driving seat of local or

regional economic, social and territorial development. The Cohesion Alliance emphasises that the next MFF must be accessible to every territory in the EU. It also calls for the reinstatement of EU-level guarantees for funding for all regions under the cohesion policy, including for regions in transition and more developed regions, so that they can be empowered to develop place-based policies and strategies fitted to their specific needs.

## EUROPEAN PARLIAMENT SUPPORTING ANALYSIS

All EPRS publications on the preparation of the 2028–2034 MFF can be found on the EPRS blog at <https://epthinktank.eu/mff-2028-2034>.

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Rodríguez-Pose, A., [Strengthening the local heart of Europe](#), European Urban and Regional Studies, November 2025.

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