



## Impact of the CPMR proposals for amendments on Cohesion Policy package

This note looks at the impact of CPMR proposals for amendments on the Cohesion Policy package Regulations (CPR, ERDF, ESF+, ETC) on the positions of the European Parliament and the Council on the key elements of the package.

At the same time, the note gives information on the state of play of the negotiations at the European Parliament and Council level.

### I. Introduction

The CPMR started working in the analysis of the Commission' proposal right after it was presented on May 2018. The CPMR started developing proposals for amendments to the four Cohesion Policy regulations early on the summer of 2018, based on previous policy positions and on the [CPMR main messages on the revision of the post-2020 Cohesion policy legislative package](#). The CPMR amendments were discussed and validated in the CPMR CORE group meetings. The proposals for amendments were shared with the members of the European Parliament during the summer and fall of 2018 and with Permanent Representations of the Member States cohesion attachés.

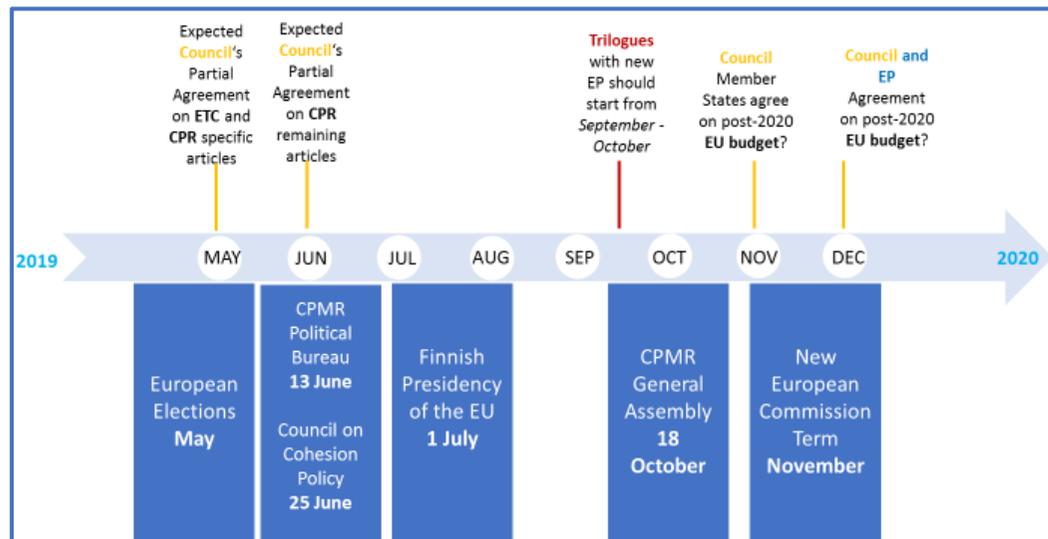
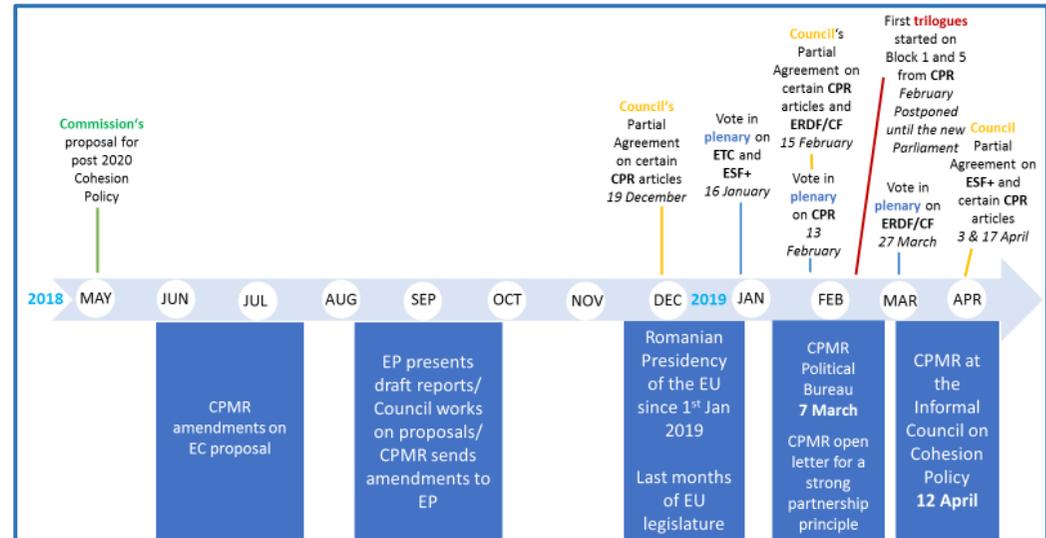
In short, the Cohesion Policy package involves four main regulations: The Common Provisions Regulation "**CPR**" that establishes the policy priorities and delivery elements of specific Funds; and the specific regulations of the following Funds: European Regional Development Fund – Cohesion Fund "**ERDF-CF**", European Social Fund "**ESF+**" and European Territorial Cooperation "**ETC**".

## II. The Cohesion Policy post-2020 legislative process

The timeline below reflects the current state of play of the negotiations, based on the information available as of the end of May.

### State of play (end of May):

- the **European Parliament** has voted all the Cohesion Policy package reports in plenary
- the **Council of the EU** has reached partial agreements on ERDF, ESF+ and certain provisions of the CPR.



### Next steps:

- Once the new **European Parliament** is set, interinstitutional negotiations with the Council are expected to restart in September/October.
- **Council of the EU:**
  - Expected Partial General agreement on the remaining CPR blocks and ETC before the end of the Romanian Presidency.
  - The most sensitive politically and budgetary issues on the cohesion policy package (*e.g. Budget allocation, Co-financing rates, Thematic concentration on ERDF*) are being discussed and will be agreed as part of the **EU budget negotiations**.

### III. Impact of the CPMR amendments

The **CPMR** proposed **67** amendments to the four regulations ([CPR](#), [ERDF-CF](#), [ESF+](#), [ETC](#)). This section examines the positions of the European Parliament and the Council on the various aspects of the cohesion legislative package, compared to the CPMR<sup>1</sup>.

At the European Parliament, the **total number of amendments tabled by MEPs** of the REGI and EMPL committees that are literally, or in essence, the same as those of the CPMR on the four regulations are a total of **284** amendments. A total of **96 members** of the European Parliament have tabled CPMR amendments on the Cohesion policy regulations. For the complete list of CPMR Amendments in the EP draft reports, click [here](#).

#### ❖ Common Provisions Regulation “CPR”

Key elements	CPMR	European Parliament	Council of the EU
Partnership and multi-level governance (MLG)	<ul style="list-style-type: none"> <li>Reinforcement of partnership and MLG</li> <li>Regional authorities as relevant actors</li> </ul>	<ul style="list-style-type: none"> <li>Strong reinforcement of partnership and MLG</li> <li>Consistent reference to regional authorities</li> </ul>	<ul style="list-style-type: none"> <li>No consideration of regional authorities as relevant partners</li> <li>Non - mandatory Partnership Agreement</li> </ul>
Coordination of ESIF with the EAFRD and the ESF <sup>2</sup>	Inclusion of EAFRD in the CPR Regulation	In line with CPMR amendment	<i>Ongoing discussions</i>
Use of the ERDF, ESF+, CF and EMFF through InvestEU	Deletion of the possibility to transfer Cohesion Funds to the Invest EU programme	<ul style="list-style-type: none"> <li>Transfer up to 2% instead of 5%).</li> <li>Investments should be in line with cohesion policy objectives</li> </ul>	<i>The maximum amount of transfer is part of the MFF negotiations</i>
Macroeconomic conditionality	Deletion of the article that makes cohesion policy funding dependent on European economic governance rules	In line with CPMR amendment	<i>Discussion under the MFF negotiations</i>
Co-financing rates	(a) 85 % for the less developed regions; (b) 70 % for the transition regions; (c) 50 % for the more developed regions	(a) 85 % for the less developed regions; (b) 65 % for the transition regions; (c) 50 % for the more developed regions	<i>Discussion under the MFF negotiations</i>

<sup>1</sup> Legend:

**Bright Green:** in line with CPMR position

**Light Green:** partially agrees with CPMR position

**Orange:** does not explicitly agrees with CPMR position

**Red:** disagrees with CPMR position

**Grey:** point excluded from the partial agreement as it's part of the MFF negotiations

<sup>2</sup> References to ESI “European Structural Investment Funds”, to EAFRD “European Agricultural Fund for Rural Development” and EMFF “European Maritime and Fisheries Fund

Pre-financing	Increase the pre-financing level to <b>3%</b> each year	(a) 2021: <b>0.5 %</b> (b) 2022: <b>0.7%</b> (c) 2023: <b>1%</b> (d) 2024: <b>1.5 %</b> (e) 2025: <b>2 %</b> (f) 2026: <b>2 %</b>	Discussion under the <i><b>MFF negotiations</b></i>
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❖ European Regional Development Fund “ERDF”

Key elements	CPMR	European Parliament	Council of the EU
Thematic concentration (TC)	TC at <b>regional level</b>	TC at <b>regional level</b>	Discussion under the <i><b>MFF negotiations</b></i>
	TC exceptions for <b>outermost regions, north sparsely populated areas and islands</b>	TC exception for <b>outermost regions</b>	TC exception for <b>outermost regions</b>
Policy Objective 5 Specific objective (ii) <i>Fostering integrated social, economic and environmental development on...</i>	Reference to “ <b>rural areas, mountain regions, islands and coastal areas</b> ”	Reference to “ <b>rural, mountain, islands and coastal regions, isolated and sparsely populated and all other areas that have difficulty accessing basic services</b> ”	Reference to “ <b>areas other than urban areas</b> ”
Territorial specificities	Particular attention to <b>areas facing natural or demographic handicaps and challenges</b> in operational programmes co-financed by the ERDF to address the specific difficulties of those regions	Inclusion of a new article <b>in line with CPMR amendment.</b>	<b>No consideration</b> of any specific areas other than outermost regions

## ❖ European Territorial Cooperation “ETC”

Key elements	CPMR	European Parliament	Council of the EU
Maritime cross-border cooperation	Should be maintained <b>within cross-border cooperation</b>	In line with CPMR amendment	Expected to be kept <b>within cross-border cooperation</b> . <i>Ongoing discussions</i>
Interreg budget line	EUR 11.571.840.000 3.5 % of ESI Funds	EUR 11.165.910.000 3% of ESI Funds	<i>Discussion under the MFF negotiations</i>
Cooperation with non-EU countries	<b>Particular attention to regions that become new external borders</b>	In line with CPMR amendment	<i>Ongoing discussions</i>
Interreg Europe, ESPON, and INTERACT programmes	Maintenance of the existing Interregional cooperation programmes	Support to the existing Interregional programmes	<i>Ongoing discussions</i>
Interregional innovation investments (ETC Component 5)	<ul style="list-style-type: none"> <li>Support to Component 5</li> <li>Doubts about direct or indirect management</li> </ul>	<ul style="list-style-type: none"> <li>Component 5 is not considered one of the components of Interreg. It is defined in a new article on the ETC Regulation.</li> <li>Direct or indirect management supported by an expert group</li> </ul>	<ul style="list-style-type: none"> <li>Transferred to the ERDF Regulation</li> <li>Direct and indirect management.</li> </ul>
	<ul style="list-style-type: none"> <li>Regions should be at the core of governance</li> </ul>	<ul style="list-style-type: none"> <li>No specific reference to the role of regions in the governance model</li> </ul>	<ul style="list-style-type: none"> <li>Regional participation in the group of experts supporting the European Commission on the definition and implementation of the programme.</li> </ul>
	<ul style="list-style-type: none"> <li>Ensure <b>third countries’ partners are eligible</b> for component 5.</li> </ul>	<ul style="list-style-type: none"> <li>Non-EU countries would be able to participate, if they contribute financially</li> </ul>	<ul style="list-style-type: none"> <li>Third countries can be covered by the instrument</li> </ul>

## ❖ European Social Fund+ “ESF+”

Key elements	CPMR	European Parliament	Council of the EU
The territorial dimension of the European Social Fund	<ul style="list-style-type: none"> <li>Regional authorities as <b>entities to receive support from ESF+</b></li> </ul>	In line with CPMR amendment	<ul style="list-style-type: none"> <li>Regional authorities as <b>entities to receive support from ESF+</b></li> </ul>
	<ul style="list-style-type: none"> <li>Regions as <b>actors on the programming and delivery of ESF+</b></li> <li>Reinforcement of <b>ESF+’ key role in promoting</b> social, economic and <b>territorial cohesion</b></li> </ul>		<ul style="list-style-type: none"> <li><b>No reference</b> of local and regional authorities as partnership partners</li> <li><b>No reference</b> on the ESF+ role to support territorial cohesion</li> </ul>
Territorial dimension of the European Semester	<b>Regional specificities and challenges should be considered</b> on the concentration of ESF+ economic resources	In line with CPMR amendment	<b>No consideration</b> of the territorial dimension of the European Semester in relation to ESF+.

## IV. Next steps

The CPMR will keep monitoring the ongoing legislative process of the cohesion policy package. As the Council will have its position on the four regulations under the Romanian Presidency, the main step to follow in the next months is the restart of the interinstitutional negotiations between the Council and the new European Parliament in September/October and the potential compromises reached. The EU Budget negotiations will be in the spotlight as important provisions of the cohesion policy package are part of the discussions and uncertainties remain high.



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**The Conference of Peripheral Maritime Regions (CPMR) brings together some 160 Regions from 25 States from the European Union and beyond.**

Representing about 200 million people, the CPMR campaigns in favour of a more balanced development of the European territory.

It operates both as a think tank and as a lobby group for Regions. It focuses mainly on social, economic and territorial cohesion, maritime policies and accessibility.

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