European Parliament
2024-2029

TEXTS ADOPTED

P10_TA(2025)0188

Possibilities for simplification of cohesion funds

European Parliament resolution of 10 September 2025 on possibilities for simplification of cohesion funds (2024/2106(INI))

The European Parliament,

– having regard to Articles 4, 162, 174 to 178, and 349 of the Treaty on the Functioning of the European Union (TFEU),

– having regard to Regulation (EU) 2021/1060 of the European Parliament and of the Council of 24 June 2021 laying down common provisions on the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, the Just Transition Fund and the European Maritime, Fisheries and Aquaculture Fund and financial rules for those and for the Asylum, Migration and Integration Fund, the Internal Security Fund and the Instrument for Financial Support for Border Management and Visa Policy[1] (Common Provisions Regulation – CPR),

– having regard to Regulation (EU) 2021/1058 of the European Parliament and of the Council of 24 June 2021 on the European Regional Development Fund and on the Cohesion Fund[2],

– having regard to Regulation (EU) 2021/1056 of the European Parliament and of the Council of 24 June 2021 establishing the Just Transition Fund[3],

– having regard to Regulation (EU) 2021/1059 of the European Parliament and of the Council of 24 June 2021 on specific provisions for the European territorial cooperation goal (Interreg) supported by

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1 OJ L 231, 30.6.2021, p. 159, ELI: http://data.europa.eu/eli/reg/2021/1060/oj.
2 OJ L 231, 30.6.2021, p. 60, ELI: http://data.europa.eu/eli/reg/2021/1058/oj.
3 OJ L 231, 30.6.2021, p. 1, ELI: http://data.europa.eu/eli/reg/2021/1056/oj.

the European Regional Development Fund and external financing instruments[1],

– having regard to Regulation (EU) 2021/1057 of the European Parliament and of the Council of 24 June 2021 establishing the European Social Fund Plus (ESF+) and repealing Regulation (EU) No 1296/2013[2],

– having regard to Regulation (EU) 2020/460 of the European Parliament and of the Council of 30 March 2020 amending Regulations (EU) No 1301/2013, (EU) No 1303/2013 and (EU) No 508/2014 as regards specific measures to mobilise investments in the healthcare systems of Member States and in other sectors of their economies in response to the COVID-19 outbreak (Coronavirus Response Investment Initiative)[3],

- having regard to Regulation (EU) 2025/925 of the European Parliament and of the Council of 7 May 2025 on Border Regions' instrument for development and growth (BRIDGEforEU)[4];

– having regard to Regulation (EU) No 1305/2013 of the European Parliament and of the Council of 17 December 2013 on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) and repealing Council Regulation (EC) No 1698/2005[5],

– having regard to Commission Delegated Regulation (EU) No 240/2014 of 7 January 2014 on the European code of conduct on partnership in the framework of the European Structural and Investment Funds[6] (the European Code of Conduct on Partnership),

– having regard to its resolution of 16 January 2024 on the implementation of territorial development (CPR, Title III, Chapter II) and its application in the European Territorial agenda 2030[7],

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1 OJ L 231, 30.6.2021, p. 94, ELI: http://data.europa.eu/eli/reg/2021/1059/oj.
2 OJ L 231, 30.6.2021, p. 21, ELI: http://data.europa.eu/eli/reg/2021/1057/oj.
3 OJ L 99, 31.3.2020, p. 5, ELI: http://data.europa.eu/eli/reg/2020/460/oj.
4 OJ L, 2025/925, 19.5.2025, ELI: http://data.europa.eu/eli/reg/2025/925/oj.
5 OJ L 347, 20.12.2013, p. 487, ELI: http://data.europa.eu/eli/reg/2013/1305/oj.
6 OJ L 74, 14.3.2014, p. 1, ELI: http://data.europa.eu/eli/reg_del/2014/240/oj.
7 OJ C, C/2024/5704, 17.10.2024, ELI: http://data.europa.eu/eli/C/2024/5704/oj.

– having regard to the opinion of the Committee of the Regions of 24 January 2025 entitled 'EU budget and place-based policies: proposals for new design and delivery mechanisms in the MFF post-2027',

– having regard to the opinion of the European Economic and Social Committee of 27 February 2025 entitled 'Strengthening the results orientation of post-2027 cohesion policy – challenges, risks and opportunities'[1],

– having regard to the Commission communication of 11 February 2025 entitled 'The road to the next multiannual financial framework' (COM(2025)0046),

– having regard to the opinion of the European Economic and Social Committee of 5 December 2024 entitled 'Revision of the Territorial Agenda 2030 - Towards a more integrated and civic approach with stronger links with the cohesion policy'[2],

– having regard to the European Court of Auditors annual reports concerning the 2023 financial year,

– having regard to the European Court of Auditors report of 8 July 2024 entitled 'Review 03/2024: An overview of the assurance framework and the key factors contributing to errors in 2014-2020 cohesion spending',

– having regard to European Court of Auditors special report 22/2024 of 21 October 2024 entitled 'Double funding from the EU budget – Control systems lack essential elements to mitigate the increased risk resulting from the RRF model of financing not linked to costs',

– having regard to European Court of Auditors special report 13/2024 entitled 'Absorption of funds from the Recovery and Resilience Facility – Progressing with delays and risks remain regarding the completion of measures and therefore the achievement of RRF objectives',

– having regard to Rule 55 of its Rules of Procedure,

– having regard to the opinions of the Committee on Budgets and the Committee on Budgetary Control,

– having regard to the opinion in the form of a letter from the Committee on Employment and Social Affairs,

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[1] OJ C, C/2025/2018, 30.4.2025, ELI: http://data.europa.eu/eli/C/2025/2018/oj.

[2] OJ C, C/2025/773, 11.2.2025, ELI: http://data.europa.eu/eli/C/2025/773/oj.

– having regard to the report of the Committee on Regional Development (A10-0138/2025),

A. whereas cohesion policy is the EU’s most important investment tool for reducing economic, social and territorial disparities, and its long-term character must not be jeopardised by emergency measures or amendments aimed at repurposing cohesion funds for other priorities; whereas cohesion policy funds must remain reserved for their primary objectives;

B. whereas regional cooperation can act as a catalyst for innovation and resilience, and cohesion policy instruments should enable such cooperation to flourish across territorial and administrative boundaries;

C. whereas cohesion policy plays a pivotal role in delivering on the European Pillar of Social Rights, its action plan, and the headline targets aimed at tackling poverty, increasing employment and promoting lifelong learning; whereas conditionality related to the rule of law, as well as to social and human rights standards, is indispensable and must not be undermined by simplification efforts; whereas access to cohesion policy funding must ensure the protection and inclusion of all people in their regions, regardless of gender, age, nationality, health status, social class, ethnicity, sexual orientation or gender identity;

D. whereas cohesion policy funding accounts for approximately 30 % of the total budget of the EU and serves as a key pillar in supporting European regions, and it should remain distinct and not be pooled with other funds in the future multiannual financial framework (MFF) to ensure its effectiveness in reducing territorial disparities and fostering economic convergence;

E. whereas a simplified cohesion policy is key to ensuring European resilience, a just and sustainable green and digital transition, a right to stay for all EU citizens and to promoting the competitiveness of the EU;

F. whereas local and regional authorities (LRAs) are best equipped to identify local challenges and opportunities, and are key partners in delivering the EU’s political agenda and cohesion policy because they are responsible for 54 to 58 % of the total volume of public investments carried out by governments;

G. whereas the development of key strategic frameworks such as partnership agreements, just transition plans and national reform programmes often lacks a coordinated approach, and fails to meaningfully involve competent LRAs;

H. whereas the current 2021-2027 programming period, which builds on the previous initiatives with further expansions of simplified cost options, has a reduced list of policy objectives, and a clearer intervention logic through indicators, lighter reporting requirements and a single audit arrangement;

I. whereas cohesion policy remains one of the most visible and tangible symbols of European solidarity, and whereas the principle of ‘do no harm to cohesion’ should be applied for the future, to ensure that cohesion policy remains focused on its core mission – reducing regional disparities and fostering economic and social convergence across the EU;

J. whereas, however, managing authorities, intermediary bodies, beneficiaries and citizens still face significant administrative burdens and challenges that not only affect the implementation rate of the projects, but also undermine the effectiveness, credibility, impact, visibility and perception of cohesion policy as a whole;

K. whereas the administrative burden on beneficiaries to apply for and implement projects supported by cohesion funds has increased with each funding period, creating a growing deterrent effect, and whereas the complexity and time-consuming nature of the application process often leads to a cost-benefit calculation that discourages beneficiaries from applying, thereby limiting the overall effectiveness and accessibility of cohesion policy;

L. whereas the simplification of cohesion policy funds should be complementary to other instruments to ensure further harmonisation and integration;

M. whereas public procurement and State aid rules are one of the major sources of administrative costs and burdens, stemming in part from gold-plating practices in all of the Member States, namely extra requirements imposed on beneficiaries by national and sub-national authorities beyond those deriving from EU law provisions, and from the difficult interpretation and application of the General Block Exemption Regulation[1] in different territorial contexts;

N. whereas previous funding periods for cohesion policy have repeatedly started too late, especially the current funding period 2021-2027, which leads to enormous backlog pressure and a slow outflow of cohesion funds;

O. whereas a series of factors, including delays in finalising the legislative package and the partnership agreements and programmes, the simultaneous implementation of the Recovery and Resilience Facility (RRF), and the evolving and complex regulatory

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1 Commission Regulation (EU) No 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty (OJ L 187, 26.6.2014, p. 1, ELI: http://data.europa.eu/eli/reg/2014/651/oj).

environment has played a decisive role in the current low implementation rate of cohesion policy in all Member States;

P. whereas the evolving and complex regulatory environment has seriously hampered the timely, efficient and effective implementation of cohesion policy, and whereas this complexity has made access to cohesion policy funding particularly challenging for smaller local authorities, small and medium-sized enterprises (SMEs) and civil society organisations across the EU;

Q. whereas simplification measures should strike a balance between the need, on the one hand, for easier and better access to funds, in order to achieve sustainable results, and on the other, to protect the EU budget, taking due account of the concerns and contributions of institutional and non-institutional stakeholders, and should not be undermined once in place by the reintroduction of complexity under the banner of national audit requirements;

R. whereas the Financial Regulation[1] requires the Commission to take corrective measures, such as simplification of the applicable provisions, improvement of control systems, and the redesign of the programme or delivery systems, if during the implementation of the EU budget, the level of error is persistently high;

S. whereas the revised allocation key, entitled the ‘Berlin formula’, in its current formulation in Annex XXVI to the CPR, which adds other significant elements to the GDP, does not yet adequately reflect divergences in reality;

T. whereas any attempt to simplify cohesion policy on the part of the Commission must take into account that changes to existing implementation practices may be at first an additional burden for administrative authorities and beneficiaries;

U. whereas shared management, the partnership principle, multilevel governance, subsidiarity and a place-based approach should remain the cornerstone of any reform and simplification of cohesion policy; whereas the shared management model has proven to be a fundamental pillar of cohesion policy, ensuring that EU funds are tailored to the specific needs of regions and local areas while fostering ownership and accountability at all levels of governance; whereas the multilevel governance framework reinforces cooperation between the EU, national, regional and local authorities, ensuring that policies are effectively designed and implemented in a

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[1] Regulation (EU, Euratom) 2024/2509 of the European Parliament and of the Council of 23 September 2024 on the financial rules applicable to the general budget of the Union (OJ L, 2024/2509, 26.9.2024, ELI: http://data.europa.eu/eli/reg/2024/2509/oj).

manner that reflects territorial diversity and maximises impact on the ground;

V. whereas the principle of subsidiarity could be better applied to cohesion funding by, for example, introducing threshold values under which certain obligations and requirements could be waived, as is the case for other EU funds;

W. whereas technical simplifications in territorial development tools (such as Integrated Territorial Investment (ITI) and Community Led Local Development (CLLD)) have already been integrated into the cohesion policy framework for the 2021-2027 programming period, but small projects still have proportionally higher administrative burdens (for beneficiaries) and administrative costs (for programme authorities) than larger projects; whereas the concerns raised by the European Court of Auditors about CLLD must be addressed – particularly the disproportionate administrative costs compared to local action group budgets;

X. whereas, in light of the current geopolitical challenges, cohesion policy can play a role in developing key dual-use infrastructure that serves civilian needs in times of peace, while also enhancing territorial resilience and crisis response, and whereas new priorities cannot come at the expense of, nor lead to, a reduction in long-term investment in the economic, social and territorial cohesion of the EU;

Y. whereas cohesion policy has consistently demonstrated its capacity to absorb and effectively invest nearly all EU funds allocated to it; whereas the gradual increase in payments towards the latter part of the planning period is an inherent feature of multiannual programmes – and therefore, a similarly positive outcome can realistically be expected by the end of the current programming period;

Z. whereas the principle of a single audit should be maintained and strengthened alongside regular Commission audits, and measures should be implemented to reduce duplicate controls and audits that overlap with national oversight at regional, national and EU levels for the same project and beneficiary, also by ensuring the consistent interpretation of regulations and minimising administrative burdens on beneficiaries and managing authorities;

AA. whereas the principle of sound financial management requires independent auditing procedures to ensure compliance with EU rules; whereas reliance on national oversight alone may lead to discrepancies in enforcement and monitoring, thereby undermining the uniform application of financial controls across all Member States and ultimately jeopardising the protection of the EU’s financial interests;

AB. whereas ensuring robust audit mechanisms is essential to maintaining accountability, traceability and effectiveness in the use of EU funds, helping to prevent fraud, mismanagement, and inconsistencies in national oversight systems;

AC. whereas cohesion policy must remain resilient to fraud, corruption, and any attempts to divert its funding from its original mission and agreed programme priorities towards investments serving particular personal or party political interests; whereas, to this end, conditionalities and built-in mechanisms to prevent, detect and correct irregularities – including fraud – must be strengthened; whereas the proper application of the partnership principle, transparency requirements and anti-fraud policies is essential;

AD. whereas overlapping priorities between the RRF and cohesion policy expose fragmentation in EU funding and underline the need for a simplified and consistent approach;

AE. whereas Article 20 CPR already allows the activation of temporary measures due to exceptional or unusual circumstances;

1. Emphasises the crucial role cohesion policy has played in addressing multidimensional emergencies and socio-economic challenges over the last five years in a way that is flexible and which strengthens solidarity among its Member States; considers, however, that constant changes in the regulatory framework have eroded its strategic focus; stresses the need to keep high ambitions regarding its long-term investment and place-based rationale and priorities, complying with the ‘do no harm to cohesion’ principle and focusing on growth, job creation and social services, in order to face challenges linked to imbalances among the EU’s regions, improvement of quality of life, the just, green and digital transitions, the creation of quality jobs, the eradication of poverty, with a focus on child poverty, and the housing crisis;

2. Warns against systematically diverting cohesion funds to respond to crises, since this undermines their primary objective of strengthening the EU’s economic, territorial and social cohesion, reducing regional disparities and fostering sustainable development, as the funding is limited for that purpose; calls instead for the development of a permanent, reinforced and dedicated emergency instrument within the EU budget, ensuring a swift and coordinated response to future crises without compromising the structural integrity of cohesion policy in order to ensure that it can be used for its primary objectives;

3. Insists that any future reforms must uphold shared management, multilevel governance and a place-based approach to ensure effectiveness; furthermore calls for a modern, decentralised, reinforced cohesion policy by putting people at its centre and backed

by strong partnerships at all levels, as it is essential to maintaining and fostering EU unity amid growing geopolitical challenges; insists on the binding application of the partnership principle as outlined in Article 8 CPR, and the strict verification thereof by the Commission;

4. Acknowledges the important simplification measures already introduced in the 2021-2027 programming period, and in particular the enhanced digital tools for e-cohesion, a broader harmonisation of rules across multiple funds, an increased flexibility in programme management, and a streamlining of the eligibility rules; emphasises the need to transition from hybrid and paper-based administration to fully digital processes, thereby enhancing efficiency, and facilitating electronic communication between beneficiaries and managing authorities; considers that several factors, including workloads deriving from delays in programming the 2021-2027 funding period, frequent changes to regulations during this period, complex multilayered regulations on audit and controls, as well as gold-plating, where burdens that go beyond EU requirements are imposed on beneficiaries, have hampered these simplification efforts;

5. Stresses that the digitalisation of the management, reporting, monitoring and audit of EU funds is essential to improve access for potential beneficiaries and to make the management of funds more efficient and transparent;

6. Underlines that simplification should be a guiding principle in cohesion policy; stresses that simplification efforts must, above all, focus on reducing the burden on beneficiaries, facilitating their access to the funds, and reducing administrative work, eliminating the unnecessary duplication of processes; in this regard, calls on the Member States to avoid gold-plating – the addition of unnecessary national rules to EU requirements – introducing additional burdens to beneficiaries; notes that the implementation of State aid rules across the Member States can, in some cases, add a layer a complexity, and stresses that other factors contributing to delays have been the overlap between the 2014-2020 and 2021-2027 programming periods, as well as the setting-up of the RRF;

7. Stresses that simplified regulation of the cohesion policy is key to ensuring improved implementation; believes that the late adoption of the sectoral legislation and the lengthy process to adopt programming documents has led to delays in implementation during previous programming periods and therefore calls on the Commission to make timely proposals for the 2028-2034 funding period, so that the regional programmes can be approved promptly after the start of the next MFF; recommends the examination of whether certain technical regulations and requirements could be removed from the CPR and incorporated into a set of guidelines or handbook, in order to create certainty and routine on the part of the managing authorities and beneficiaries; recalls that the lack of

certainty regarding the implementation of funding instruments often leads administrative authorities, in line with the principle of prudence, to tend towards a more restrictive interpretation of unclear provisions;

8. Expresses concern over both the lack of complementarities in EU funding, with over 50 multiannual programmes in 2021-2027, and the growing share – currently 40 % – being centrally managed under the current MFF, and considers that the total budget devoted to cohesion policy should be maintained or even increased for cohesion policy to meet future investment needs appropriately; emphasises the need for effective coordination of EU and national funding, and stresses that any future regulatory framework must include a thorough assessment of its administrative impact; calls on the Commission to promote best practices, assessing Member States' national systems, and to take action to eliminate practices creating unnecessary complexity; reaffirms the essential role of European Structural and Investment Funds in reducing regional disparities and enhancing territorial accessibility and connectivity, particularly in disadvantaged areas such as rural, island, mountainous, outermost and eastern border regions;

9. Calls on the Commission to promote and deliver a bottom-up and decentralised approach in the upcoming proposals for simplifying the design of the new cohesion policy and ensuring the mandatory consultation and involvement of LRAs and partners, as defined in Articles 3 and 4 of the European Code of Conduct on Partnership, including civil society organisations and SMEs;

10. Considers that better coordination between funds, managed with a clearer, more coherent, coordinated and harmonised framework for the various cohesion funds, could pave the way for a more efficient and flexible cohesion policy, including a single set of rules and one audit trail for implementation, monitoring and control; believes that a unified, integrated IT interface in each Member State for beneficiaries, covering all stages of the programme cycle, allowing the simple electronic exchanges of data and documents, supported by an automated reporting tool, and subject to a thorough impact assessment, could provide an added value in this regard and enhance transparency by providing regular, easily accessible updates on cohesion policy project results; considers that the creation of new, small separate funds should be avoided so as not to foster further fragmentation of funding tools and the establishment of parallel structures; considers that funds, defragmented in scope and scale, can in some cases be more effective in implementing solutions to strategic challenges of the EU;

11. Recognises the potential of the creation in the next revision post-2027 of a single European platform, integrated with national platforms, that allows beneficiaries, in particular small-scale

beneficiaries, to have swift access to various EU funds; believes that the Commission and the Member States should provide beneficiaries with all the necessary information to access EU funds through this platform, also ensuring real-time data exchange on final recipients of funds, including better data collection and the establishment of common monitoring dashboards across cohesion policy programmes; considers that this may be necessary to improve acceptance and awareness among beneficiaries, and could have the potential to enhance transparency, prevent double funding and strengthen financial control, including fraud detection;

12. Insists that all new IT systems or other digital platforms introduced under the post-2027 programming period should aid the streamlining of data collection requests, and not add additional or repetitive data demands on applicants;

13. Emphasises, however, that increased flexibility should not come at the expense of long-term strategic planning and the stability of cohesion investments, and should not lead to financial uncertainty and increased complexity for final beneficiaries; calls for ensuring that any adjustments to funding priorities during the post-2027 programming period remain aligned with regional development objectives;

14. Reiterates its support for the BRIDGEforEU Regulation and underscores the need for further simplification, particularly in cross-border programmes, with tailor-made solutions that address the unique economic, social and geopolitical challenges of cross-border regions; emphasises that cohesion policy must continue to promote and simplify cross-border, transnational and interregional cooperation;

15. Considers that gender mainstreaming and the integration of a gender perspective should be promoted throughout all stages of programme design and implementation in the next cohesion policy framework; calls for more consistent use of the gender budgeting tracking tool by all Member States, and stresses that simplification measures must not undermine gender mainstreaming efforts;

16. Considers that the current definition of ‘undertaking in difficulty’ poses an unreasonable burden on organisations and presents unnecessary complexity for innovation, competitiveness and potential end-beneficiaries of cohesion funds, and should therefore be revised;

17. Points out that the active and obligatory involvement of LRAs in the preparation, programming, implementation, monitoring and evaluation of projects in the areas they administer is a fundamental precondition for successful and tailored simplification; emphasises that, in the absence of a strong partnership with the local and

regional levels and without strengthening their administrative capacity, cohesion policy risks becoming an overly centralised process with too little impact on the balanced development of European regions;

18. Calls on the Commission to explore the inclusion of a territorial and governance impact assessment in the European Semester; stresses that the European Semester should comply with cohesion policy objectives under Articles 174 and 175 TFEU and calls for the participation of the regions in the fulfilment of these objectives, and for a stronger territorial approach; stresses that regional GDP per capita must remain the main criterion for determining Member States’ allocations under cohesion policy and considers that regional GDP per capita might possibly be complemented by other regional socio-economic indicators (e.g. social, demographic, etc.) that help reflect more accurately the socio-economic situation of the regions, with the aim of further reducing social and territorial disparities – including within regions – and of enabling more effectively targeted investments where they are most needed;

19. Believes that national contact points (NCPs) from direct management programmes should be integrated into the national and regional programming of cohesion and rural development funds to foster synergies and strengthen capacity building across centrally and jointly managed programmes operating in the same territories and policy areas;

20. Encourages the use of integrated regional development tools such as ITI and CLLD, and suggests exploring options aimed at increasing the allocation of the share of the cohesion policy budget to ITI, CLLD or other territorial instruments for all the regions – also taking into account the specific needs of rural and remote areas, and of the eastern border regions of the EU, focusing on projects able to effectively address actual territorial needs; recommends exploring proposals for problem-solving and technical assistance for the implementation of strategies and the maturation of studies; believes that the growing number of integrated territorial development initiatives – within and beyond cohesion and rural development policy – often lack concrete links to the European Structural and Investment Funds, which can limit their lasting impact;

21. Opposes any form of top-down centralisation or renationalisation reform of cohesion policy programming, and reiterates that multilevel governance, subsidiarity, shared management and a place-based approach must remain its fundamental guiding principles; considers that while the RRF was designed to provide a swift response to economic challenges, its implementation has encountered significant issues, including low absorption rates, delays in the disbursement of funds, and a lack of transparency in the allocation process; acknowledges, nonetheless, certain positive

developments within the RRF, particularly the establishment of green investment standards and of the ‘do no significant harm’ principle; draws attention to the fact that, in programmes under direct management, the disbursement of funds to the Member States does not necessarily reflect the quantity and importance of the milestones and targets set;

22. Stresses that the centralised model has revealed several weaknesses, particularly regarding the traceability, accountability, efficiency and long-term impact of EU funding[1]; highlights that these include insufficient involvement of LRAs and civil society, as well as delays, limited transparency and risks of non-completion of measures; warns that the absence of robust monitoring mechanisms and clear audit requirements risks undermining the credibility and long-term impact of EU financial instruments; calls for stronger oversight of, and greater alignment between, disbursements and verified results, to ensure that EU funds deliver tangible benefits for citizens, and social and economic actors; highlights that multilevel governance enables the development of tailor-made solutions for all regions, and underlines the importance of inclusive co-design processes involving LRAs;

23. Opposes the idea of a single national programme, as it does not properly involve LRAs and as it is far removed from the realities on the ground, and as it would endanger, or even eliminate, the ability of cohesion policy to take into account the differing needs of sectoral policies, macro-regional, national, regional or local instrument objectives and specificities; insists that the use of place-based programmes managed from the NUTS 2[2] regional level has been key to addressing actual needs on the ground and the effective reduction of regional socio-economic differences in the past, and must therefore continue to be the backbone of cohesion policy in future;

24. Stresses the importance of collaboration, knowledge exchange and capacity building for LRAs, including investment in their technical and administrative capacities; warns that without a strong partnership with LRAs, cohesion policy risks becoming overly centralised and less effective in promoting balanced regional development; emphasises that simplification efforts should promote the role of LRAs, which are crucial to the successful implementation of EU-funded projects, particularly under the European Regional Development Fund (ERDF), the Cohesion Fund, and Interreg programmes; highlights that reinforcing the involvement of LRAs, including in the programming phase, is key to ensuring the

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1 OJ C 114, 29.3.2023, p. 5; OJ C, C/2024/5471, 10.9.2024, ELI: http://data.europa.eu/eli/C/2024/5471/oj, (paragraphs 53-56).

2 NUTS (nomenclature of territorial units for statistics) is the EU’s classification system for referring to countries’ regions for statistical purposes. ‘NUTS 2’ refers to basic regions (for regional policies).

effectiveness, territorial relevance and resilience of cohesion policy; calls for a balanced approach that streamlines procedures, while preserving multilevel governance and the territorial added value of local and regional engagement;

25. Acknowledges that performance-based mechanisms can be instrumental in making cohesion policy more efficient and results-oriented; cautions, however, against a rigid or one-size-fits-all imposition of this model in the context of the 2028-2034 programming period; emphasises that while such mechanisms can drive effectiveness, they must take into account the specificities of different spending sectors and the heterogeneity of final beneficiaries – particularly in areas such as research, social policies and local infrastructure, where short-term, measurable outcomes may not fully capture long-term impact;

26. Warns that current performance-based models often rely on centralised management structures, which can hinder the capacity of regional and local authorities to address specific territorial needs effectively; stresses that any future application of performance-based implementation should not come at the expense of the core principles of cohesion policy, such as multilevel governance, subsidiarity and a place-based approach, and must be accompanied by significantly stronger safeguards for ensuring the sound management of EU funds;

27. Calls on the Commission to adopt a flexible and balanced funding framework that combines results-based and traditional cost-based funding, allowing for tailored solutions adapted to local contexts; supports increasing the use of lump-sum payments based on milestones, as practised in the Creative Europe programme, while ensuring that regional and local authorities retain the autonomy needed to implement cohesion policy;

28. Acknowledges, specifically, that authorities, civil society organisations and SMEs should not suffer from the introduction of performance-based models, especially taking into account the limitations of their average financial resources to pre-finance measures or buffer potential losses in the case of failure to reach targets;

29. Acknowledges that liquidity problems discourage potential beneficiaries, including local authorities, which suffer in some Member States from a lack of fiscal and budgetary autonomy, from applying for cohesion policy-funded projects; calls, therefore, for a significant and tailored increase in pre-financing in such cases and also in rural, cross-border and insular areas to support the rapid disbursement of cohesion policy funds, along with a simplification of co-financing rules;

30. Welcomes the Commission’s proposal, in its mid-term review of cohesion policy 2021-2027, that programmes under the ‘Investment for jobs and growth’ goal, carried out in NUTS 2 regions that have borders with Russia, Belarus or Ukraine, should benefit from the possibility of a one-off 9,5 % pre-financing of the programme allocation and 100 % EU financing; urges the Commission to propose additional measures to address the needs of the Eastern border regions of the EU;

31. Expresses its concern about the regular reports from stakeholders on the lack of application of horizontal principles by Member States in the preparation of partnership agreements; suggests that a revised European Code of Conduct on Partnership should be integrated directly into the CPR, to ensure its binding nature and cover direct management programmes with territorial impact; calls on the Commission to strictly enforce the application of the partnership principle, explore measures to enhance Parliament’s oversight and monitoring powers on partnership agreements and programmes; calls on the Commission to ensure that the Member States perform regular oversight, including of partners during monitoring and expert selection to guarantee competence and prevent fraud;

32. Recalls the importance of a strict application of the financial rules of the EU in all programmes and on all beneficiaries, in order to avoid all forms of fraud, conflicts of interest, corruption, double funding and money laundering; calls on the Commission and the Member States to propose additional measures to prevent and avoid double funding, to increase opportunities for integrated projects, to ensure the interoperability of data-mining tools and to minimise data retention obligations for managing authorities; reiterates its call to the Commission to make the use of IT tools, such as the early detection and exclusion system (EDES) and ARACHNE, mandatory for all EU funds, including those under shared management, and to ensure better use of new technology in order to increase controls and protect the EU budget against fraud and misuse of funds; emphasises the need to ensure balance between simplification and the protection of the EU budget; recalls that simplification efforts should comply with the principles of good administration, public procurement and control, all of which are essential for upholding social and environmental conditionalities, and the rule of law;

33. Calls on the Commission to carry out studies on the synergy between cohesion funds and sectoral programmes, as it has done for the Horizon Europe programme;

34. Calls for more direct access to EU funding for regional and local authorities, as well as cities and urban authorities, by, among other things, widening the use of ITI and keeping a focus on projects targeting social and economic partners; calls on the Commission to explore additional ways of ensuring that local and regional

authorities, civil society and other beneficiaries can continue to benefit from EU funding in cases of breaches of the rule of law by national governments without weakening the application of the Rule of Law Conditionality Regulation[1]; underlines that funding must not be reallocated to other programmes, so that the integrity of the suspension decision is preserved, until its objectives are achieved and all conditions of access to funding are fulfilled;

35. Encourages, moreover, the establishment of a permanent advisory network, which would coordinate its work with already existing programmes or structures to assist municipalities in navigating the complexities of cohesion policy implementation;

36. Welcomes tools such as the EU's Rural toolkit, which aims to guide beneficiaries through available programmes; stresses, however, that the need for such one-stop shops highlights the excessive complexity of current structures, which remain inaccessible for many beneficiaries, especially small public authorities;

37. Stresses the urgent need to increase investment in building effective and adequate administrative capacity, with dedicated financial resources and technical assistance, particularly for LRAs – including those in insular and remote areas, and with a specific focus on those regions with a historically low absorption rate – in order to support the decentralised and efficient management and implementation of EU funds;

38. Calls for the reinforcement of technical assistance instruments in the cohesion policy framework, such as those developed in cooperation between the European Investment Bank and the Commission, to support strategic planning capacities for territorial investments, as well as targeted advisory support for the identification, planning and preparation of projects; acknowledges the pivotal role of financial instruments to promote competitiveness in all EU regions and leverage both private and public funds;

39. Highlights that the success of cohesion policy depends on forward-looking and inclusive strategies, proper stakeholder and civil society involvement, and sound governance; acknowledges the need to promote results-based management approaches, including the use of measurable indicators and theory-of-change models for programme evaluation; emphasises the importance of allocating specific resources for the capacity building of social partners, and for civil

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[1] Regulation (EU, Euratom) 2020/2092 of the European Parliament and of the Council of 16 December 2020 on a general regime of conditionality for the protection of the Union budget (OJ L 433 I, 22.12.2020, p. 1, ELI: http://data.europa.eu/eli/reg/2020/2092/oj).

society organisations to strengthen their role in the good governance and implementation of EU funds;

40. Asks the Commission to propose, in the new State aid framework, a further simplification of the application of State aid rules in the case of cohesion-related cross-sectoral funding that combines EU and national funds (such as in multi-funding under the European Social Fund Plus and the ERDF), with the aim of reducing errors and administrative burden at national and regional level, while enhancing the effectiveness of cohesion policy investments on the ground and avoiding market distortion; calls on the Commission to explore whether shared management programmes could in some cases benefit from similar exemptions from State aid rules to those under direct management, such as Horizon Europe or the Connecting Europe Facility;

41. Urges the Commission, in the context of the forthcoming revision of the European Public Procurement Directive[1], to further promote the use of the social clause and collective bargaining; underlines that contracting authorities must exclude, from public tenders, economic operators that have engaged in criminal activities; calls for rules governing the cohesion policy to allow public money to be allocated only to those undertakings that respect workers' rights and the applicable rules on working conditions;

42. Considers that the principle of a single audit should be strengthened and recalls that, in practice, the application of the single audit approach depends on the robust and reliable audit work carried out by the audit bodies in the Member States; stresses that a revised, strengthened, unified approach to audits and controls should be introduced in the next cohesion policy, and that this approach should aim to reduce both error and fraud rates by reinforcing preventive (ex ante) controls at the beginning of the budgetary period, to reduce control weaknesses and risks; stresses the importance of aligning this approach with the recommendations of the European Court of Auditors, particularly in strengthening financial management, enhancing the efficiency of expenditure and ensuring that mistakes identified in previous programming periods are not repeated;

43. Calls for more consistent interpretation of regulations by audit bodies across the EU and all funds, and advocates a more risk-based audit strategy to avoid unnecessary duplication while ensuring effective financial oversight and fraud prevention; stresses that the programmes run by the Member States falling under the Rule of Law Conditionality Mechanism, or the Article 7 procedure, or that do not

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[1] Directive 2014/24/EU of the European Parliament and of the Council of 26 February 2014 on public procurement and repealing Directive 2004/18/EC (OJ L 94, 28.3.2014, p. 65, ELI: http://data.europa.eu/eli/dir/2014/24/oj).

participate in the European Public Prosecutor's Office, must be placed under tighter scrutiny;

44. Calls on the Commission to propose the standardisation and broader use of simplified cost options and financing not linked to costs, and stresses their key role in reducing administrative burdens, lowering error rates, and improving delivery; recommends extending these mechanisms, particularly by easing requirements in public procurement, verification and audit thresholds; emphasises their usefulness in contexts where objectives are clearly verifiable, especially for smaller beneficiaries such as local authorities, civil society organisations and local action groups, or in projects involving micro-enterprises and social economy actors, for reducing bureaucracy and accelerating implementation; calls on the Commission to explore options aimed at introducing simplified reporting and auditing procedures for local authorities with fewer than 100 000 inhabitants, and for beneficiaries located in rural areas, islands and the EU's outermost regions, with the aim of striking a balance between simplification and sound financial management;

45. Considers that a change in the approach to audits and controls is necessary by moving away from the use of statistical extrapolation for financial corrections to clearly distinguish between unintentional errors and frauds, in order to ensure that such corrections only target cases of systemic irregularities and acts of deliberate fraud, and to avoid excessive workload or financial strain on beneficiaries and managing authorities; emphasises that the administrative and financial burden related to financial control and audit work, as well as their follow-up, should always be proportionate to the volume of funds and the risks involved;

46. Calls on the Commission to explore different options for enhancing complementarities between EU funds, including by reintegrating the community-based and local development interventions of the EAFRD into the CPR;

47. Instructs its President to forward this resolution to the Council and the Commission, and to the European Court of Auditors, the European Economic and Social Committee, the Committee of the Regions and the national and regional parliaments of the Member States.