STUDY

Requested by the REGI committee

European Parliament

Navigating the European Commission's MFF Proposal for 2028-2034

Mapping Risks and Opportunities for Cohesion Policy and Regional Development

Policy Department for Regional Development, Agriculture and Fisheries
Directorate-General for Cohesion, Agriculture and Social Policies (CASP)
Authors: Eulalia RUBIO (Jacques Delors Institute) and Cinzia ALCIDI (CEPS)
PE 776.029 - March 2026

EN

Navigating the European Commission's MFF Proposal for 2028-2034

Mapping Risks and Opportunities for Cohesion Policy and Regional Development

Abstract

This study assesses how the proposed National and Regional Partnership Plans (NRPPs) Regulation restructures the support relevant to Cohesion Policy and regional development. Based on this analysis, it formulates policy recommendations on how the Proposal could be adjusted to better achieve cohesion objectives.

This document was commissioned by the European Parliament's Policy Department for Regional Development, Agriculture and Fisheries at the request of the Regional Development Committee.

This document was requested by the European Parliament's Committee on Regional Development.

AUTHORS

Eulalia RUBIO, Jacques Delors Institute
Cinzia ALCIDI, Centre for European Policy Studies (CEPS)

ACKNOWLEDGEMENTS

The authors would like to thank Marjorie Jouen and Carlos Mendez for their insightful comments on the report.

CONTACTS IN THE EUROPEAN PARLIAMENT

Coordination: Kelly SCHWARZ and Rubin Johann HAGELS (trainee)
Editorial assistance: Iveta OZOLINA
Communication assistance: Iveta OZOLINA
To give feedback or obtain copies, please write to: poldep-cohesion@europarl.europa.eu

VERSION(S)

Original: English
Translation (Executive summary only): FR, DE, IT, ES, PL and RO
Manuscript completed in March 2026.

This document is available on the internet here:
- Research4committees.blog
- Think Tank of the European Parliament

Further information on research for REGI by the European Parliament's Policy Department is available at: https://research4committees.blog/regi/

BIBLIOGRAPHIC REFERENCE FOR THIS PAPER

Rubio, Eulalia & Cinzia Alcidi. 2026. *Navigating the European Commission's MFF Proposal for 2028-2034 - Mapping Risks and Opportunities for Cohesion Policy and Regional Development*. Brussels: European Parliament, Policy Department for Regional Development, Agriculture and Fisheries

For in-text citations: Rubio & Alcidi, 2026

ARTIFICIAL INTELLIGENCE

Notebook LM was used as an analytical support tool to assist in reviewing the relevant legal texts and identifying elements of continuity and change between the 2021–2027 and 2028–2034 legislative frameworks. ChatGPT 5.2. was used to improve the readability of the text. AI-generated content in this text has been reviewed by the authors.

IDENTIFIERS

PDF Web	ISBN 978-92-848-3486-0 | doi:10.2861/4555208 | QA-01-26-056-EN-N
PDF X	ISBN 978-92-848-3487-7 | doi:10.2861/5199122 | QA-01-26-056-EN-C

CONTENTS

LIST OF ABBREVIATIONS

CAP	Common Agricultural Policy
CF	Cohesion Fund
CP	Cohesion Policy
CPR	Common Provisions Regulation
CSRs	Country Specific Recommendations
EAFRD	European Agricultural Fund for Rural Development
EAGF	European Agricultural Guarantee Fund
ECF	European Competitiveness Fund
EMFAF	European Maritime, Fisheries and Aquaculture Fund
ERDF	European Regional Development Fund
ESF	European Social Fund
ESF+	European Social Fund Plus
FNLC	Financing not linked to costs
GNI	Gross National Income
IPCEI	Important Project of Common European Interest
JTF	Just Transition Fund
LDRs	Less Developed Regions
MDRs	More Developed Regions
MFF	Multiannual Financial Framework
NRPPs	National and Regional Partnership Plans
NRRPs	National Recovery and Resilience Plans
NUTS	Nomenclature of territorial units for statistics
POs	Policy Objectives
RRF	Recovery and Resilience Facility
SOs	Specific Objectives
SCOs	Simplified Cost Options
SCF	Social Climate Fund
TFEU	Treaty on the Functioning of the European Union
TRs	Transition Regions

LIST OF BOXES

LIST OF FIGURES

EXECUTIVE SUMMARY

The Commission's Multiannual Financial Framework (MFF) 2028–2034 proposes merging all EU shared-management funds (Cohesion Policy, Common Agriculture Policy (CAP) and Home Affairs) into a single European Fund implemented through National and Regional Partnership Plans (NRPPs). This integrated model raises several questions on the objectives, governance and implementation of EU support relevant for Cohesion Policy (CP).

Study aim

This study assesses how the NRPP Proposal restructures the support relevant to CP and regional development. It maps continuity and change between the 2021–2027 CP framework and the post-2027 CP Proposal, examines the potential implications and offers concrete policy recommendations to enhance the Proposal's effectiveness in achieving the Cohesion Policy objectives.

Key findings and policy recommendations

<u>1. Capacity to pursue cohesion objectives</u>

The NRPP Proposal is not underpinned by a clearly articulated intervention logic for promoting cohesion. It assumes that ringfencing resources to less developed regions and ensuring a balanced territorial distribution will suffice to support cohesion. However, the new architecture also offers opportunities: Integrated plans may support more coherent territorial responses and allow for greater flexibility to address new cohesion challenges. The inclusion of reforms may also steer national policies in a more cohesion-friendly direction.

To ensure that these opportunities are realised while mitigating the risks, the study recommends:

- **Clarify the cohesion intervention logic**: Align the Proposal's general and specific objectives so the Plans explicitly contribute to reducing territorial disparities, or formally recognise their role in delivering sectoral EU priorities.
- **Create dedicated EU cohesion recommendations**: The Commission should issue standalone country-specific cohesion recommendations like the "CAP national recommendations" included in Article 2 of the 2028-2034 CAP Regulation, to guide the preparation of the Plans.
- **Introduce mandatory territorial impact assessments (TIAs)**: If the TIA identifies important negative territorial consequences of certain NRPP interventions, Member States should justify the high net benefit of these interventions or explain how they intend to mitigate these effects through complementary national policies.
- **Clarify the "right/freedom to stay" concept**: Provide guidance on its meaning to ensure concrete and realistic interventions in support of the most disadvantaged areas.

<u>2. Governance and role of regional and local authorities</u>

In the NRPP Proposal, the role of regional and local authorities in planning and implementation is left largely to each Member State, which may decide whether to include territorial chapters. While this approach mirrors aspects of the current Cohesion Policy, the absence of strict regional earmarking, combined with an integrated approach, points to a more centralised governance model. Although such centralisation can improve coordination and efficiency, governance arrangements must continue to respect the subsidiarity principle and ensure a clear accountability chain. To strengthen territorial governance and accountability, the study recommends:

- **Add a 'legal check' to the 'regional check'**: The regional check should verify respect for subsidiarity and the legal division of competences.

- **Introduce region-specific milestones and targets in areas of exclusive regional competence**: Progress and payments could be assessed per region to guarantee accountability and avoid penalising well-performing regions.
- **Ensure predictable and timely payments to regions**: Establish mechanisms preventing central governments from controlling payment timing through selective inclusion of milestones while preserving necessary implementation flexibility.

3. Integrated and flexible programming

The move towards more integrated programming offers opportunities to reduce overlaps between CAP and cohesion spending, but in a context of a reduced envelope in real terms, it risks intensifying budgetary competition between the two. The 10% rural target risks being absorbed by CAP-related interventions and will be difficult to monitor. The NRPP Proposal reserves 15% of the NRPP funds to be redeployed after the mid-term review to respond to new needs and performance considerations (Article 14.2b), but there is a risk that this money is being used in advance for short-term needs.

To prevent these risks from materialising, the study recommends:

- **Replace the 10% rural target with a 10% earmarking to support integrated local development strategies**, leaving discretion to Member States to distribute the amounts between different local realities.
- **Protect ringfenced funding for less developed regions:** Exclude CAP and Common Fisheries Policy spending from counting towards minimum allocations for less developed regions to ensure these funds support cohesion-related interventions.
- **Prevent early access to the mid-term review reserves** by eliminating the possibility to mobilise the reserve's resources in advance "in duly justified and exceptional circumstances" (Art 14.2.b).

4. Challenges and risks of shifting towards a performance-based delivery model

The NRPP performance-based approach addresses several RRF shortcomings (e.g. by harmonising output indicators). However, it may initially increase administrative complexity and unclear audit rules could encourage continued cost data collection. Milestones may also be harder to apply to high-risk and innovative operations.

To address these challenges, the study recommends:

- **Provide guidance and stronger technical assistance for weaker administrations**: The Commission should issue clear methodologies to define milestones, targets and payout values, develop standard unit costs or flat rates, and offer targeted support for weaker administrations.
- **Create a methodological handbook for payout values**: The Commission should establish predefined payout values for reform outputs and harmonised criteria for calculating payout values across Member States for commonly supported types of investments.
- **Adapt milestones for innovative or risky projects**: Allow for alternative milestone designs so performance-based funding does not discourage experimentation or innovation.

5. Synergies with the European Competitiveness Fund (ECF)

The NRPP Proposal includes some mechanisms to promote synergies with the ECF at the implementation phase. However, these mechanisms are mainly designed to ensure EU financing for excellent projects (through 'seals') or reduce the administrative burden for NRPP authorities by delegating implementing tasks to the EU level (through transfers). There is a fundamental tension between the ECF, which supports competitiveness by exploiting scale economies, and the NRPPs, which aim to ensure a territorially balanced development and promote convergence. To reduce this tension, the study recommends:

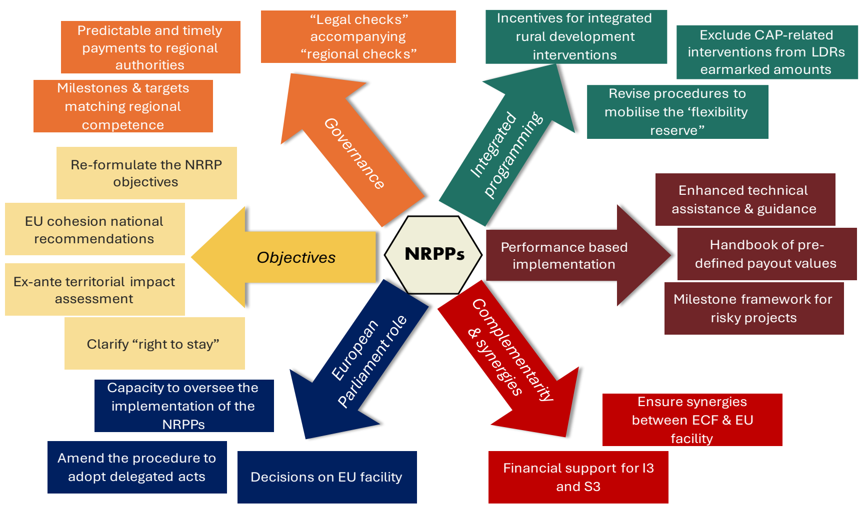
- **Ensure synergies between the ECF and the EU Facility**: The EU Facility should complement ECF actions to support the Union's "overall harmonious development" under Article 174 TFEU. Annex XV's "Union action", which allows support for cross-border and multi-country projects (including Important Projects of Common European Interest) and initiatives to close the innovation gap, should be reformulated to clarify that these interventions will be designed in close coordination with ECF actions.
- **Promote place-based innovation instruments**: Maintain and reinforce interregional innovative investment (I3) projects and incentivise Smart Specialisation Strategies (S3).

6. Role of the European Parliament

The NRPP Proposal offers potential benefits in terms of transparency, but risks limiting the Parliament's capacity to exert effective scrutiny and decide on the use of the EU Facility. The study recommends:

- **Strengthen parliamentary monitoring of implementation**: Require more frequent Commission reporting (e.g. bi-annual implementation reports) and allow the Parliament to access annual review meeting reports so scrutiny goes beyond checking milestone completion and assesses real performance.
- **Extend the time to revise delegated acts**: Amend Article 87.6 (procedure to adopt delegated acts) to give two months to the Parliament and the Council to revise the content of the acts and object if necessary.
- **Ensure Parliament's involvement in the mobilisation of the EU Facility**: Require the Commission to present a detailed mobilisation plan in its strategic report preceding the draft annual budget, enabling the Parliament and Council to shape funding priorities in the political steering mechanism preceding the annual budget procedure.

Overview of the policy recommendations to improve cohesion in the NRPP Proposal



Source: authors' own elaboration

1. INTRODUCTION

In July 2025, the European Commission presented its proposal for the 2028–2034 Multiannual Financial Framework (MFF), outlining a far-reaching reform of the EU budget aimed at simplifying delivery, strengthening policy coherence and enhancing performance.

The Commission's MFF 2028–2034 proposal foresees significant changes in the structure and composition of EU funding, with potential major implications for the conduct of Cohesion Policy (CP). A central element of the reform is the merger of all current EU funds implemented through shared management - including CP funds, Common Agricultural Policy (CAP) funds and 'Home affairs' funds - into a single EU fund called the new 'European Fund for Economic, Social and Territorial Cohesion, Agriculture and Rural, Fisheries and Maritime, Prosperity and Security' ('the Fund'). This new Fund will be implemented through national plans (the 'National and Regional Partnership Plans' (or NRPPs), making a shift toward a more integrated delivery model. This new approach raises several questions with respect to the amount and type of support for EU cohesion objectives, the role of regional and local authorities in the planning, implementation and control of EU-financed projects, the distribution of funding across regions, the implications of adopting a performance-based delivery approach and the interactions between cohesion and other EU policies.

These changes are being introduced at a moment when CP is facing a more complex policy landscape than ever. A succession of crises, declining EU's global competitiveness and a more polarised geopolitical environment have intensified pressure to better align CP with emerging needs and EU priorities. At the same time, the nature of EU cohesion challenges has also changed: the historical East-West divide has narrowed, a rising number of middle-income regions appear to be caught in a 'development trap' and in many Member States, economic activity is increasingly concentrated in large urban areas. In parallel, persistent implementation shortcomings with the current CP — such as concerns over the phase of absorption, fragmented regulatory frameworks and high administrative complexity – together with the experience gained from the Recovery and Resilience Facility (RRF) in implementing integrated plans following a performance-based approach, have reinforced calls for reform. These calls emphasise the need to simplify the design and implementation of the policy, enhance coherence across instruments and shift the attention from cost and procedural compliance towards the achievement of results.

Against this background, the goal of this study is to assess how the Commission's MFF proposal restructures the support relevant to the CP and regional development. Based on this analysis, the study formulates policy recommendations to inform the European Parliament's position on how the proposal could be modified to enhance its effectiveness in achieving the objectives of Cohesion Policy.

The study is structured into two parts.

The **first part (Chapter 1)** provides a factual mapping of elements of continuity and change between the 2021–2027 CP framework and the post-2027 CP proposal. This analysis is primarily based on a legal comparison of the current CP legislative framework—comprising four legal acts[1]- and the 2028-2034 draft regulation establishing the European Fund for economic, social and territorial cohesion, agriculture and rural development, fisheries and maritime affairs, prosperity and security (hereafter, the "draft NRPP Regulation"). The draft NRPP Regulation published in July 2025 has been the subject of some modifications proposed by President Von der Leyen in two letters sent to the EU co-legislators on 9 November 2025 and 6 January 2026. Given that these proposed modifications have been

[1] The Common Provisions Regulation (CPR); the Regulation on the European Regional Development Fund (ERDF) and on the Cohesion Fund (CF), the Regulation on the European Social Fund Plus (ESF+) and the Regulation on the Just Transition Fund (JTF)

incorporated into the ongoing discussions on the Proposal, we also take them into account in our analysis.

The **second part (chapters 2 to 8)** examines the potential implications of these changes for the planning and implementation of the CP. It analyses:

- how the new architecture may affect the EU's capacity to address cohesion challenges;
- how the NRPPs may reshape the role of regional and local authorities in the design and delivery of EU funds;
- the implications of moving towards a single and more flexible programming framework, with particular attention to the risks and opportunities associated with the blending of CP and Common Agricultural Policy (CAP) funds;
- the challenges and risks linked to a shift towards a performance-based delivery model;
- the potential to enhance synergies with other EU policies, notably those financed through the European Competitiveness Fund (ECF); and
- the extent to which the European Parliament´s role in policy scrutiny and oversight, and as budgetary authority, is well preserved in the proposal.

This second part of the analysis is more exploratory in nature and draws on a range of sources, including mid-term evaluation reports of the current Cohesion Policy funds and the RRF, existing analyses by independent experts and stakeholders on the Commission's new MFF proposal, and insights from 13 semi-structured interviews conducted between November 2025 and January 2026 with representatives of various European institutions, independent experts having long experience in the evaluation and analysis of EU Cohesion Policy, current and former national officials in charge of managing EU funds and representatives of organisations representing regional and local authorities.

Finally, it should be emphasised that many of the issues examined do not lend themselves to clear-cut conclusions. The proposed regulatory changes are substantial and some of their practical implications remain uncertain at this stage. Moreover, as evidenced by the interviews conducted, stakeholder views diverge on several aspects of the reform. Wherever possible, the study seeks to reflect this diversity of perspectives and to make explicit the degree of uncertainty surrounding the expected effects of the proposed changes.

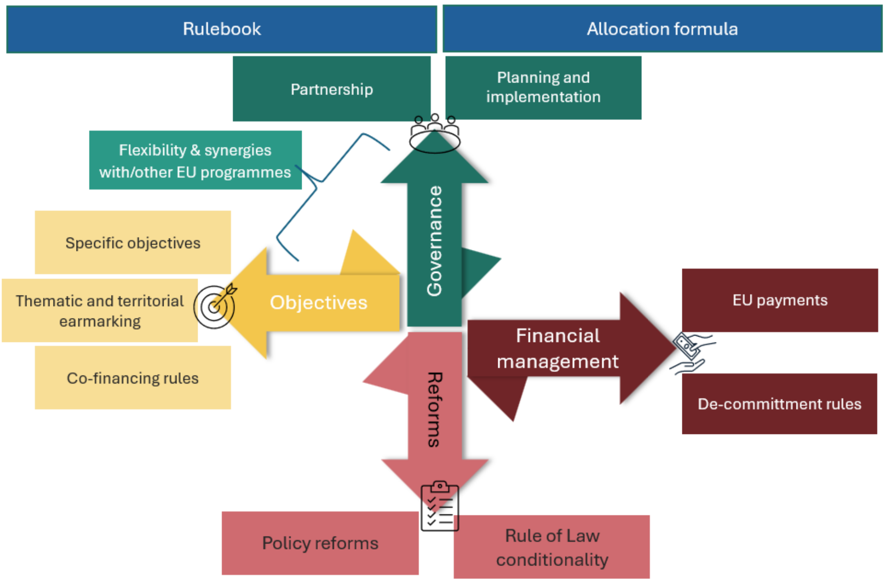
2. THE 2021–2027 COHESION POLICY AND THE 2028–2034 NRPP PROPOSAL: MAPPING CONTINUITY AND CHANGE

KEY FINDINGS

- The NRPP Proposal replaces the current multi-fund cohesion structure (ERDF, CF, ESF+, JTF) with a single overarching fund covering all shared-management instruments. While ERDF, CF and ESF+ formally remain, they do not have a dedicated budget. All shared-management funds operate under a single set of programming, eligibility, control and earmarking rules, replacing the current differentiated regime under the CPR.
- Although the allocation formula is redesigned and envelopes consolidated, national shares remain largely unchanged due to caps and safety nets. However, the overall envelope falls in real terms (~14%).
- The Fund supports five general objectives. The first broadly mirrors the current goals of Cohesion Policy — reducing regional imbalances and promoting territorial cooperation. Objectives two, three and four focus on supporting the implementation of the EU´s social goals, CAP and the Common Fisheries Policy. While the fifth objective aims to promote and uphold EU democracy and rule-of-law principles. These objectives shall be pursued through 28 specific objectives (SOs), but the Proposal does not clarify how the five general objectives relate to the 28 SOs.
- There is a minimum ringfenced amount for CAP interventions but not for CP interventions. Member States enjoy wide discretion to allocate the non-ringfenced amount and can use it to reinforce CAP-related interventions.
- There are pre-defined envelopes for less developed regions but not for transition regions and more developed regions. However, Member States shall indicate how they will distribute the NRPP funds across the three categories of regions. Rural areas must receive at least 10% of total NRPP funding.
- Payments shift from cost-based to milestone/target-based disbursement. Payments will be calculated based on pre-defined payout values attached to different milestones and targets. Member States will have to submit 6 payment requests per year and will have discretion to decide the milestones and targets to be included in each payment request. A N+1 decommitment rule (vs current N+2/N+3) will tighten spending timelines.
- The partnership principle is formally preserved but planning is structurally more centralised. The inclusion of territorial chapters is optional.
- A new interinstitutional "political steering mechanism" will guide annual priorities and influence NRPP preparation and mid-term revisions, introducing stronger coordination across EU expenditure.

To identify elements of continuity and change between the current Cohesion Policy (CP) framework and the proposed NRPP and to assess the implications of these changes, the analysis is structured around six thematic dimensions. These comprise four core pillars — objectives, governance, financial management, and reforms — complemented by two cross-cutting dimensions: the overall architecture (rulebook and allocation formula) and the flexibility and synergies with other EU programmes (see Figure 1).

Figure 1. A compass to understand the implications of the NRPP Proposal for cohesion



Source: Authors' elaboration

2.1. Overall architecture

The EU Cohesion Policy is rooted in Article 174-178 of the Treaty on the Functioning of the European Union (TFEU). Article 174 includes a general mandate to pursue actions leading to the strengthening of economic, social and territorial cohesion to promote the Union's overall harmonious development and a specific mandate to reduce the disparities between the levels of development of the various regions and the backwardness of the least favoured regions.

The Commission's MFF proposal fundamentally reshapes the way in which these cohesion objectives are to be pursued. **Under the current framework, four EU funds are explicitly dedicated to the objectives set out in Article 174 TFEU**: the ERDF, the CF, the ESF+, and the JTF. Each of these funds has a distinct budgetary envelope and a specific policy focus. **According to the new Proposal for the period 2028-2034, instead, CP will be conducted through a single EU fund in charge of implementing all EU funds under shared management**. Promoting the Union's economic, social and territorial cohesion will be one of "The Fund's" general goals, alongside the promotion of the Union's sustainable development and competitiveness, its security and its preparedness.

There are three EU cohesion-related funds which will continue to exist (the ERDF, the CF and the ESF+); and one fund (the JFT) ceases to exist. The three Funds that remain do not have a dedicated budget and the fund-specific regulations are very short. They do not modify the objectives or eligibility rules, essentially only lay down some conditions for designing certain types of interventions. Overall, the maintenance of these three EU funds seems to be driven by legal imperatives (the fact that the three funds are mentioned in the Treaty) rather than functional needs.

2.1.1. A more integrated planning and regulatory framework

In the framework of the current 2021-2027 programming period, the four EU cohesion-related funds together with the European Maritime, Fisheries and Aquaculture Fund (EMFAF) have to be programmed together in the context of a 'National Partnership Agreement'. They are guided by five common Policy Objectives (POs) and subject to common rules on programming and management, which are set up in the Common Provisions Regulation (CPR). However, each CP fund is designed around distinct specific objectives and operates under different eligibility and thematic concentration rules, which shape how resources can be deployed.

Under "The Fund", instead, all EU funds under shared management are subject to the same common rules on programming, management and control, the same list of specific objectives and the same eligibility and earmarking rules. This represents a significant move towards a single "rulebook" and an integrated planning architecture.

2.1.2. A different allocation formula but minor changes to national envelopes

Under the current CP framework, **the bulk of CP resources (84.8%) is allocated to Member States, mostly based on regional prosperity gaps calculated at the NUTS2 level**. 20% of the allocation is determined by other indicators.[2] Each Member State receives separate envelopes for its less developed regions (LDRs), transition regions (TRs), and more developed regions (MDRs). These envelopes are largely determined by population size and regional GNI per capita, resulting in a strong concentration of resources in LDRs, while only 8.3% of the total is allocated to MDRs.

The NRPPs' resources are distributed across Member States in three distinct envelopes:

- a 'general allocation';
- a 'home affairs allocation' (only used to finance migration, security and border control measures); and
- a dedicated allocation under the Social Climate Fund (SCF) to finance specific 'just transition' measures for housing and transport.

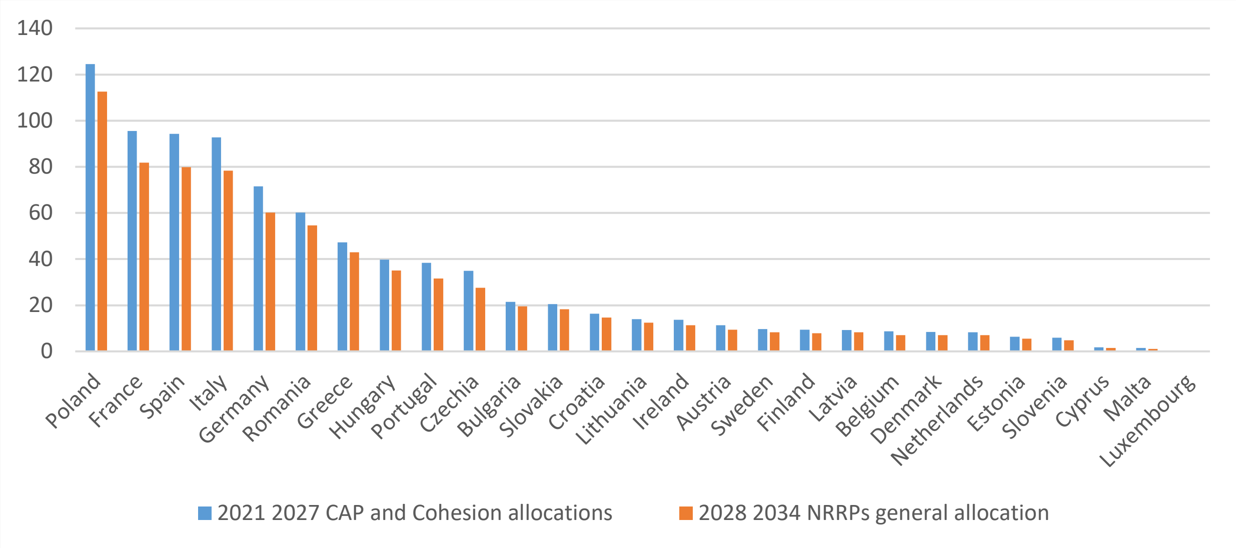
The 'general allocation' represents 90% of the NRPP budget. Its budget (EUR 749.8 billion) roughly corresponds to today's CAP and CP budgets in current prices (EUR 754.2 billion)[3] but represents a **14% cut in constant prices**.[4] As shown in Figure 2, despite significant changes in the allocation formula (see Annex I, Box 2), **there is no major variation in the relative weight of national allocations**. This is due to the fact that a cap and a safety net are applied to the distribution of the ´general allocation´ envelope (see Annex I for more details).

[2] The main criterion determining the allocations is regional relative prosperity (calculated as the gap between the regional GNI per capita and the EU average). However, Member States benefit from additional premiums relating to regional indicators on unemployment, educational attainment, greenhouse gas emissions and migration. These ´bonus´ determine roughly 20% of the total allocation (Schreiber and Nuñez Ferrer, 2025).

[3] If we take the pre-allocated amounts for CAP and CP as published on the Commission web page.

[4] Hansum, R., Lindner, J., Redeker, N. and Rubio, E. (2025), "Ripe for Reform – What's in the EU Budget Proposal and What Should Come Next", Policy Brief, Jacques Delors Centre.

Figure 2. Comparing 2021-2027 CP and CAP allocations with 2028-2034 NRPP general allocations in constant prices, in EUR billion



Sources: current CAP and Cohesion allocations adjusted to 2028-2034 prices are based on Hansum et al. (2025). The 2028-2034 NRPPs general allocations are taken from the Commission's factsheet 'Member States allocations', posted on the Commission's 2028-2034 MFF webpage.

2.2. Objectives, earmarking and co-financing rules

The Fund supports **five general objectives** (Article 2.1 draft NRPP Regulation). The first two broadly mirror the current goals of Cohesion Policy — reducing regional imbalances and promoting territorial cooperation and supporting quality employment, education, skills, social inclusion and a fair transition. Objectives three and four focus on supporting the implementation of the CAP and the Common Fisheries Policy, while the fifth objective aims to promote and uphold EU democracy and rule-of-law principles.

Article 3 states that the five general objectives set out in Article 2 shall be pursued through **28 specific objectives (SOs), organised into five pillars**:

1) promoting sustainable prosperity
2) supporting the Union's defence capabilities and security
3) strengthening the EU's social cohesion
4) sustaining the quality of life
5) protecting and promoting democracy, rule of law and EU values

The 28 specific objectives are detailed further in Article 3.

The NRPP Proposal does not clarify how the five general objectives – which are based on Treaty objectives – relate to the 28 SOs. A reading of their content nevertheless suggests an implicit correspondence. SOs under the third pillar (social cohesion) broadly match the third general objective. Those grouped under the fourth and fifth pillars appear to pursue general objectives three, four and five, namely supporting the implementation of the CAP and fisheries policy and promoting EU values and the rule of law. By default, SOs under the first and second pillars ("prosperity" and "security and defence") seem primarily linked to the first general objective, namely reducing regional disparities and promoting territorial cooperation.

All National Plans shall support all 28 SOs. Objectives can be supported through investments, reforms or other authorised interventions (i.e. direct income support to farmers). There are no thematic concentration rules as in today's CP, but Member States should comply with some minimum earmarking, thematic and geographic rules (more details in the sub-chapters below).

2.2.1. Comparing the 2021-2027 CP specific objectives with the NRPPs specific objectives

A comparison between the 28 NRPPs SOs and the current CP funds' SOs (see Annex II for more details) shows that **most of the current CP's specific objectives are maintained under the 'sustainable prosperity' pillar (which encompasses current PO1, PO2, PO3 and PO5 objectives) and the 'social cohesion' pillar (which corresponds to current PO4 objectives), even if some of them are slightly rephrased**.

The NPPPs can support measures aimed at **strengthening the EU's industrial base** and reinforce **the Union's defence industry**. The current CP can already support these objectives; however, its use is constrained by eligibility rules: CP funds can only provide direct support to big firms if located in less developed or transition regions or in more developed regions of Member States with a GNI per capita below the EU-27 average. With the new proposal, all Member States will be able to provide direct support to big firms in all their territory.

With respect to the **'quality of life' pillar**, while current CP funds cannot provide direct income support to farmers and fishermen, they can be used to support the development of rural and coastal areas. Finally, regarding the **'democracy and rule of law' pillar**, the current CP policy does not have as an objective to promote pro-democratic civil society and citizens' education or incentivise rule of law reforms.

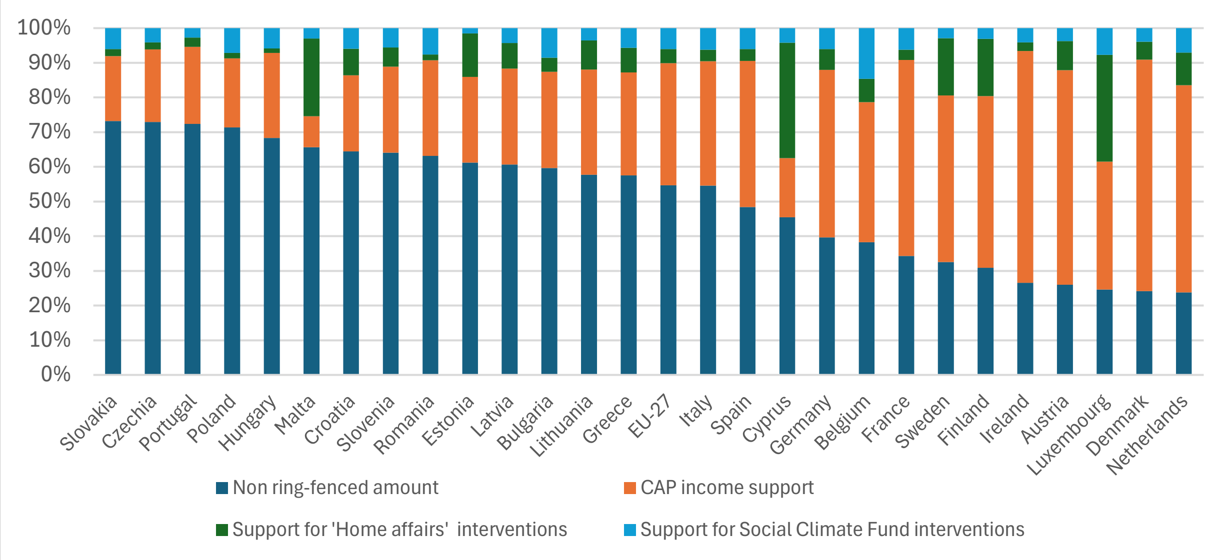
2.2.2. Thematic concentration and thematic earmarking rules

Under the current framework, both the ERDF and the ESF+ resources are subject to rigid thematic concentration rules, which significantly reduce the discretion to allocate funds across objectives (see Annex I, Box 3). In addition, 8% of the ERDF resources shall be used to support sustainable urban development strategies.

In the NRPP framework, earmarking operates differently. There are **earmarked amounts for 'home affairs' interventions and interventions under the SCF. There is also a minimum ringfenced amount of EUR 293.7 billion for CAP income support measures**.[5] This ringfenced amount shall cover income support interventions currently financed by the EFGF (CAP pillar 1) but also many interventions currently financed by the EAFRD (CAP pillar 2). The ´Home´ and SCF earmarked amounts are allocated to Member States according to policy-specific variables and the ´CAP ringfenced amount´ is distributed to Member States by applying a pro-rata allocation that reflects each Member States' share of the total CAP envelope in 2027.[6] As a result, **the share of non-ringfenced NRPP resources varies a lot from one country to another** (see Figure 3). No amount is ringfenced or earmarked for CP.

[5] There is also a ringfenced amount of EUR 2 billion to finance Common Fishery Policy (CFP) interventions.
[6] See DG AGRI´s news article of 17 September 2025, "Commission presents minimum national allocations for the CAP after 2027").

Figure 3. Share of ring-fenced amounts as % of total NRPP allocation in all 27 Member States



Source: Commission's factsheet 'Member States allocations' posted on the Commission's 2028-2034 MFF webpage.

Member States **enjoy wide discretion in allocating the non-earmarked NRPP resources**. They can use it to finance other SOs, but also to provide additional support to farmers, decarbonisation of housing and transport sectors (in support of SCF's interventions) or to reinforce 'home affairs' interventions. The only constraint is compliance with two horizontal thematic rules: 14% of their NRPP budget must be allocated to interventions supporting social objectives (**social earmarking**) and 43% to interventions supporting climate and environmental objectives (**climate and environmental earmarking**). The amounts ringfenced for CAP income support and Social Climate Fund interventions are excluded from the 14% calculation, but not from the calculation of the 43% climate and environmental target.

2.2.3. Geographic earmarking rules

Under the current CP, Member States receive resources pre-allocated to specific categories of regions—less developed (LDRs), transition (TRs) and more developed regions (MDRs). Transfer options across regional categories are limited. There is also a dedicated ERDF budget (0.6% of the total envelope) for the outermost regions and the northern sparsely populated regions.

Under the NRPPs, the system is substantially relaxed. **Member States are only required to ensure a minimum allocation to LDRs** (where applicable). Whereas the amount for LDRs in the 2021-2027 period is exclusively for CP intervention this does not appear to be the case in the NRPP Proposal. Allocations to TRs and MDRs are no longer pre-defined. When submitting their draft Plans, however, they must set out the distribution of funding across the three categories of regions, which remains subject to Commission validation. **There are safety nets for transition and more developed regions**:[7] allocations to these categories of regions cannot be reduced by more than 25% compared to the current period. However, Member States can overrule this if they provide an objective justification (such as changes in population or reduction of territorial disparities).

There are no longer dedicated amounts for outermost and northern sparsely populated regions. Member States concerned shall include in their Plans a dedicated chapter with specific measures to support the outermost regions (Art 46 draft NRPP Regulation) but they are free to decide how much funds to allocate to this purpose. All Member States are subject to a vague obligation to address the

[7] Proposed by President Von der Leyen´s letter of 9 November 2025

specific needs of some disadvantaged areas listed in Article 4 of the ERDF/CF Regulation (rural areas, areas affected by industrial transformation, northern sparsely populated regions, island, cross-border and mountain regions, just transition areas and Eastern border regions) and support integrated urban development strategies (Art 5 ERDF/CF). They shall report to the Commission the amounts allocated to these areas following the methodology set out in Annex VII of the Proposal.

Member States will have to allocate a **minimum of 10% of their NRPP budget to rural areas**.[8] The 10% will be calculated by using the territory dimension codes to be assigned to each intervention financed (defined in Annex I of the EU budget performance regulation). As for the amounts dedicated to LDRs, the 10% rural target can be fulfilled with investments earmarked to 'home affairs' interventions but excludes the CAP ringfenced amounts.

2.2.4. Co-financing rules

The NRPP Proposal largely preserves the **classic CP differentiation of EU co-financing rates per types of regions**, with maximum rates of up to 85% for less developed regions, 60% for transition and 40% for more developed regions. For national measures, the co-financing rate is calculated based on the population-weighted average of the co-financing rate applicable to its regions. **CAP ringfenced interventions are subject to distinct co-financing rules**. 'Classic' income-support measures currently financed under the European Agricultural Guarantee Fund (EAGF) — notably basic direct payments — remain fully financed by the EU budget. Other income-support interventions currently financed through the EAFRD, such as investments for farmers or agri-environment-climate actions, would be co-financed at a uniform rate of 70%.

2.3. Governance

2.3.1. Partnership principle

The NRPP Proposal reaffirms the principle of partnership (Article 8). The text of this article is practically a copy of Article 6 of the current CPR, which sets the basic conditions for implementing the partnership principle in the current programming period.

Similar to Article 6 of the CPR, Article 8 of the draft NRPP Regulation establishes the obligation to set up partnerships to support the planning, implementation, monitoring and evaluation of the programmes. Both regulations say that partnerships should be "**in accordance with the country's institutional and legal framework** and taking into account the specificities of the Funds", and that they should work in accordance with the multi-level governance principle and a **bottom-up approach** and respecting the **European Code of Conduct on Partnership**.

The NRPP Proposal includes some safeguards to guarantee the involvement of regional and local authorities. When presenting its draft Plan, the Member State shall report how the distribution of responsibilities between national and regional authorities is "in accordance with the institutional and legal framework of the Member State" (Art 22.2.e. of the draft NRPP Regulation). In addition, Member States are subject to a mandatory **'regional check'**, requiring them to report to the Commission on how subnational authorities were involved in the design of the NRP Plan, how these were selected, how their representativeness has been ensured and how their input is reflected in the NRP Plan.[9]

[8] Proposed by President Von der Leyen´s letter of 9 November 2025
[9] Proposed by President Von der Leyen´s letter of 9 November 2025

2.3.2. Planning and implementation of EU funds

Under the current CP, Member States plan their interventions through programmes established in Partnership Agreements. They have discretion to decide on the number and scope of programmes and whether they are national or regional. Across the European Union, 103 programmes are national (representing 60% of the allocations) and 191 are regional. Each programme has a **managing authority** responsible for implementing the funds and an **accounting authority** in charge of drawing up and submitting payment applications to the Commission. The accounting authority and the managing authority can be the same, but the accounting function can also be entrusted to another body.

In the NRPP framework, national plans are structured in chapters. All Plans shall include national and sectoral chapters "and, where relevant, regional and territorial chapters" (Art 21.2 of the draft NRPP Regulation). **Each chapter shall have a managing authority**. On top of that, there will be a **coordinating authority** in charge of monitoring the overall implementation of the Plan, ensuring coherence in the implementation of the various chapters and submitting payment applications to the Commission. Under this framework, **all managing authorities "shall have the possibility for exchanges with the Commission" (Art 49.1 draft NRPP Regulation)**. The performance of the Plan is reviewed in annual review meetings, where all relevant regional and coordinating authorities take part.

2.4. Financial management rules and performance framework

2.4.1. EU payments: shift from cost-based to performance-based approach

Under the current CP framework, **EU payments predominantly follow a cost-based approach:[10] they are based on the reimbursement of eligible expenditure actually incurred**. Member States implement programmes on the basis of a financial plan accompanying each programme, specifying annual commitments by fund and priority. Each year, Member States may submit up to six payment applications per programme and per fund.

The NRPP framework marks a shift to a **performance-based payment model**. Following the approach initiated with the National Recovery and Resilience Plans (NRRPs), Member States submit payment requests linked to the achievement of predefined milestones and targets, each associated with a pre-set payout value.[11] They are free to propose different intermediary milestones and targets; however, the final targets shall be defined based on common output indicators listed in Annex I of the EU performance regulation (see Annex I, Box 7).[12] Implementation is guided by an indicative timetable for the completion of milestones and targets. Member States may submit up to six payment applications per year. They can bundle milestones and targets from different chapters, allowing Member States to decide which milestones and targets to submit according to their pace of implementation.

[10] A small share of the ERDF, CF and JTF is reimbursed by the Commission on the basis of standardised, pre-agreed costs ("upper-level SCOs") or through financing not linked to costs (FNLC). In particular, according to the Commission's mid-term evaluation, EUR 7.5 billion under the ERDF/CF/JTF is expected to be reimbursed via upper-level SCOs and EUR 1.4 billion through FNLC schemes (European Commission, 2025d). As regards the ESF+, only 6% of the total ESF+ budget (EUR 8.5 billion) is implemented through FNLC. However, the use of SCOs is significantly more widespread, accounting for approximately 25% of total ESF+ payments (European Commission 2025e)

[11] Payout values are the "amounts to be paid by the Commission to the Member State for the progress achieved in the implementation of the measures of the Plan, taking into account the amounts set aside for reforms" (Art 4.13 draft NRPP Regulation).

[12] As observed by the Court of Auditors in its opinion on the draft NRPP regulation (ECA, 2026), there is an inconsistency between the NRPP Proposal and the draft EU Budget Performance Regulation on this point. Article 22.2.c of the NRPP Proposal requires the use of common output indicators to set targets, but not milestones, whereas Article 14.2.a of the draft Performance Regulation refers to final milestones or targets to be defined on the basis of common output indicators. Given that milestones are defined as qualitative achievements under Article 4.11 of the NRPP Proposal, we assume that the correct interpretation is that only final targets — and not milestones — should be defined using quantitative output indicators listed in Annex I of the draft EU budget performance regulation.

2.4.2. De-commitment rule and pre-financing

In the current CP, every programme includes a financing plan which specifies the budgetary commitments per year and fund. **Annual budgetary commitments** differ from one programme to another and typically increase over time, reflecting the fact that managing authorities need time to launch operations and spend funds before submitting payment claims. Any amount committed each year that has not been used for pre-financing, and for which a payment application has not been submitted within three years following the year of the commitment (or two years for 2027 allocations) is de-committed **(N+3 rule/N+2 rule)**.

With a view to ensuring regular disbursements and a timely delivery of objectives, the NRPPs Regulation imposes the **same percentage of annual budgetary commitments** to all NRPPs (contrary to RRF plans, which had each of them a different calendar of payments). Unlike CP programmes, **annual commitments under NRPPs will be higher at the start of the implementation and will decrease over time** (from 15.8% in 2028 to 11.7% in 2034), with the view to providing a strong incentive to frontload reforms and investments. Member States will be subject to a much stricter decommitment rule of N+1. In practice, the time to commit the funds will be shorter, 10 months, as the Commission will decommit any amount in a Plan which has not been used for pre-financing or for which a payment request has not been submitted by 31 October of the following year.

2.5. Reforms and rule of law conditionality

2.5.1. Policy reforms

Under the current CP, the use of EU funds is subject to ex-ante policy conditionality. In particular, Member States must comply with a set of ex-ante thematic "enabling conditions" to implement EU funds in specific sectors. The goal of these ex-ante conditions is to ensure that the necessary policy and regulatory frameworks are in place for an effective implementation of the EU funds. They typically involve measures such as adopting strategic plans, policy frameworks or management systems. If these conditions are not met, the European Commission can suspend payments for the sectors concerned.

The implementation of the NRPPs is not subject to ex-ante policy conditionalities. However, under the Plans, Member States may receive payments linked to the adoption of **pre-agreed reforms**. Member States have discretion to propose the reforms to be included in their Plan, but the selection must be validated by the Commission and ultimately approved by the Council, which formally adopts the Plans. **NRPPs must address the challenges identified in the country-specific recommendations as well as in other relevant documents officially adopted or assessed by the Commission** in relation to the objectives set out in Article 3 (Art 22.2.b. i). **All Plans must include measures underpinning the Savings and Investment Union** (Art 22.2.b).

2.5.2. Rule of Law conditionality

In the current CP framework, Member States shall ensure **compliance with the EU Charter of Fundamental Rights** when implementing EU funds (the "Charter" enabling condition). Compliance must be ensured both at the outset and throughout the programming period. Where this condition is not met, the European Commission may suspend all EU payments.

Under the NRPP framework, Member States shall comply with the **EU Charter of Fundamental Rights** (Article 8) and the **rule of law** principles (Article 9) when implementing the Plans. If the conditions are not respected, EU payments can be suspended, through a unilateral decision of the Commission (the 'Charter' condition) or a Council decision (the Rule of Law condition). **The NRPP Proposal also includes a provision which paves the way to apply 'smart conditionality'** (Rubio et al., 2025): If the Member

State does not remedy the situation in one year, the amounts suspended are definitively lost for the Member State concerned and the Commission may reallocate them to other EU programmes.

2.6. Flexibility and synergies with other EU programmes

2.6.1. Flexibility in response to crises and emerging needs

In the current CP framework, Member States must leave unallocated 50% of each programme's allocations for the final two years (2026–2027). This "**flexibility amount**" is allocated after the **2025 mid-term review** on the basis of performance achievements and emerging needs. In addition, following an amendment to the ERDF/CF and ESF+ regulations adopted in December 2024,[13] Member States affected by natural disasters occurring between 1 January 2024 and 31 December 2025 **can re-allocate up to 10% of their ERDF and ESF+ envelope to finance emergency and post-disaster reconstruction actions**.

The draft NRPP Regulation proposes **a more integrated approach to deal with crises and emerging needs**. All Plans have to leave 25% of the total allocation unallocated to constitute a "**flexibility reserve**" (Art 14.2). In case of crises, Member States may request an amendment to the Plan. If the costs surpass 1% of the NRPP budget, they will be able to mobilise the "flexibility reserve" for an amount not higher than 2.5% of the NRPP budget. 10% of the flexibility reserve will be earmarked to address crisis situations, 5% before the mid-term review and 5% after the mid-term review. The remaining 15% of the flexibility reserve will be re-allocated according to performance achievements and emerging needs following the mid-term review of 2031. However, the Proposal states that a part of this 15% "may be requested before the mid-term review in duly justified and exceptional circumstances" (Article 14.2.b).

On 6 January 2026, to address concerns about the negative impact of the Mercosur deal on farmers, President Von der Leyen sent a letter to the Member States and the European Parliament proposing a modification to the NRPP Proposal that would allow Member States, when submitting their plans, to have immediate access to up to two thirds of the 15% reserved for the mid-term review to support all sort of CAP interventions.[14]

2.6.2. Synergies with other EU programmes

In the current CP framework, there is no mechanism to coordinate in advance the preparation of CP programmes with other EU instruments implemented under direct or indirect management. There is just a 'soft' form of alignment through the application of thematic concentration and earmarking rules, which ensure that CP funds focus on the same EU-level broad objectives as other EU spending programmes.

There are some mechanisms to promote synergies at the project level, such as 'seals' and voluntary transfers to other EU instruments or programmes (see Annex I for more details). While these synergy mechanisms are increasingly used, the capacity to identify available opportunities remains limited due to the lack of shared information and spaces for exchange between EU, national and regional authorities managing different programmes (see Segal et. al., 2025 for a detailed analysis).

Under the new MFF, all EU expenditure decisions will be coordinated by a 'political steering mechanism'. Through this mechanism, the three EU institutions will identify the priorities to be funded by the EU on an annual basis. This steering mechanism is mentioned in the Commission's MFF

[13] Regulation (EU) 2024/3236 of the European Parliament and of the Council of 19 December 2024 amending Regulations (EU) 2021/1057 and (EU) 2021/1058 as regards Regional Emergency Support to Reconstruction (RESTORE)

[14] Euractiv, Von der Leyen proposes to unlock €45 billion for farmers to secure support for Mercosur deal, 6 January 2026

communication,[15] but it is not detailed in the draft Inter-Institutional Agreement (IIA).[16] However, the letter sent by President Von der Leyen to President Metsola on 9 November 2025 provides more details on the functioning of this mechanism (see Box 1). According to this letter, the steering mechanism will not only inform annual budgetary decisions but also the preparation of the NRPPs (in 2027) and the amendments of the NPPRs in the mid-term review (in 2030).

Box 1. The functioning of the 'steering mechanism' according to the letter sent by President Von der Leyen to President Metsola on 9 November 2025

According to the letter by President von der Leyen of 9 November 2025, in the autumn preceding the adoption of each annual draft budget, the Commission will adopt a strategic report outlining the Union's key policy priorities. On this basis, the European Parliament and the Council will reach an agreement on the priorities to be funded from the annual budget, ahead of the Commission's presentation of the draft budget.

When presenting the draft annual budget, "the Commission will have to explain how it integrated the priorities identified by the Institutions as part of the draft budget". In practice, this means that decisions on the annual allocation of resources — for instance, under the EU Facility — will have to be guided by the priorities identified by the EU institutions.

In addition, at the beginning and before the mid-term review of the NRPPs, the Commission will have to explain how it integrated the priorities identified by the Institutions as part of the policy reference framework to be used for preparing the National and Regional Partnership Plans.

In practice, the Commission will prepare a strategic report in autumn 2026; this report will form the basis of a structured dialogue with the Council and the Parliament on the priorities to be financed by the 2028 annual budget; and the conclusions of this dialogue will guide both the preparation and the assessment of the NRPPs by Member States and the Commission.

Source: Technical document attached to the letter sent by President Von der Leyen to President Metsola, 11 November 2025

At the level of operations, **synergies will continue to be promoted through the system of 'seals' and transfers**. Projects positively evaluated under the ECF, but not having obtained funds, will obtain a 'competitiveness seal', and it will be possible to finance them through the NRPP. Projects identified as strategic under the Net-Zero Industry Act (NZIA) or the Critical Raw Materials Act (CRMA) will automatically be awarded the Competitiveness Seal (Article 8.4 draft ECF Regulation). As under the current CP, Member States will also have the option to allocate part of their NRPP envelope to measures implemented through EU instruments under direct or indirect management, including InvestEU. Unlike the CP framework, the NRPP framework does not set any limit on the amount of NRPPs that can be transferred to instruments implemented under direct or indirect management.

Beyond these 'seals' and transfers, **there are other aspects that may facilitate a complementary use of funds between NRPPs and ECF**. Whereas CP managing authorities have no obligation to report on how CP funds are used to support projects having a transnational dimension, Art 22.2.b. requests Member States to report on how National Plans contribute to the completion of the Single Market by

[15] European Commission (2025) A dynamic EU Budget for the priorities of the future - The Multiannual Financial Framework 2028-2034, COM(2025) 570 final/2, 16.7.2025

[16] European Commission (2025), Proposal for a Interinstitutional Agreement between the European Parliament, the Council and the Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management, COM (2025) 572 final, 16.7.2025

financing measures with a cross-border, transnational or multi-country dimension. This includes, in particular:

- projects located on the core and extended core of TEN-T network
- projects supporting TEN-E infrastructures
- Important Projects of Common European Interest (IPCEI)
- Operations that have been awarded a Competitiveness Seal
- Measures underpinning the Savings and Investments Union

In addition to that, the EU Facility can be used to support cross-border and multi-country projects (Annex XV, m), in particular IPCEI projects and Interregional innovation investments (I3) to strengthen EU value chains via co-investments from multiple project partners.

3. PURSUING COHESION OBJECTIVES THROUGH THE NEW NATIONAL PLANS: RISK OF MARGINALISATION OR STRATEGIC REFRAMING?

KEY FINDINGS

- The NRPP Proposal is not underpinned by a clear intervention logic for advancing cohesion. Implicit in the Plan´s design is the idea that cohesion will result from ringfencing resources to less developed regions and ensuring a relatively balanced distribution of resources across the national territory. Yet, given the lack of strict thematic earmarking rules and the dominant EU-level sector-driven approach, there is a risk of diluting the core objective of the Cohesion Policy within the Plans.
- The place-based approach, which underpins the current CP, is no longer a central feature of the NRPP interventions. Place-based instruments like Smart Specialisation Strategies, territorial just transition strategies or sustainable urban development strategies become optional and/or lose their dedicated amounts.
- An integrated approach, budgetary flexibility and the inclusion of reforms offer potential to address cohesion challenges which are not well addressed through the current CP (rural–urban divides, middle-income region stagnation) and compel governments to design national policies that are more supportive of cohesion objectives.
- Clarifying how the plans are expected to promote cohesion and reformulating the NRPP Proposal's general and specific objectives accordingly is a necessary step. This can be done either by introducing a new general sector-based objective on support to EU key priorities and distinguishing which specific objectives contribute to cohesion and which pursue sectoral goals or by reformulating the "prosperity" and "security and defence" specific objectives to establish a clear link to Art 2's general objective, "reducing regional imbalances and promoting territorial cooperation".
- Additional measures, such as empowering the Commission to issue EU cohesion national recommendations, subjecting all 27 plans to a territorial impact assessment, and offering greater guidance on implementing the "freedom to stay" principle, would help steer NRPPs toward achieving EU cohesion objectives.

To explore the implications of the new MFF for the EU's capacity to pursue CP objectives, it is important to start by clarifying what these objectives are.

From a strict Treaty perspective, the goal of CP is to strengthen the Union's economic, social and territorial cohesion, in particular by reducing disparities between richer and poorer regions (Art 174 TFEU). Since its inception in 1988, there has been a broad consensus that this goal is best pursued through bottom-up, integrated regional and local development strategies. This place-based, bottom-up approach has since become the defining philosophy of the Cohesion Policy, distinguishing it from the top-down approach adopted in the US to reduce territorial inequalities (Berkowitz et al. 2024, Fratesi, 2025).

Since the early 2000s, the CP has gradually extended to all regions and became more aligned with EU sectoral policies. As a result, it is now often portrayed as "the EU's main investment policy" contributing to goals such as decarbonisation, economic growth and job creation through territorially targeted interventions.[17] More recently, however, concerns have emerged about new cohesion challenges insufficiently addressed by current CP, including stagnation or decline of middle-income regions and widening urban-rural divides (Rodriguez Pose et al., 2024). At the same time, increasing attention has been paid to the territorial impact of other EU policies. In this context, in 2022, the Commission proposed to introduce a 'do no harm cohesion principle' to guide EU-level interventions. The Parliament seconded this idea in its resolution on the 8th Cohesion Report. Subsequently, in its conclusions on the future of EU Cohesion Policy of November 2023, the Council called for a greater awareness of doing no harm to cohesion through other EU policies and initiatives and invited the Commission to consider the use of territorial impact assessments when preparing legislative proposals.

Against this background, **a first observation when assessing the NRPP Proposal is that it is not underpinned by a clear intervention logic explaining how to promote cohesion**. The proposed merger of all EU funds under shared management is justified as a way to reduce overlaps and increase the efficiency in the use of EU funds, rather than as a means to strengthen the pursuit of cohesion objectives. According to the Proposal's impact assessment, the Plans' main purpose is to "support Member States and regions in delivering on EU policy objectives and priorities".[18] Implicit in the Plan´s design is the idea that cohesion will result from ringfencing resources to less developed regions and ensuring a relatively balanced distribution of resources across the national territory. Yet, given the lack of strict thematic earmarking rules and the dominant EU-level sector-driven approach, there is a risk of diluting the EU Cohesion Policy´s core purpose in the new Plans, as has been noted by several commentators (e.g. Mendez et al. 2025 & Petzold, 2025).

A second observation is the **weakening of the place-based approach**. Place-based instruments such as Smart Specialisation Strategies, territorial just transition strategies or sustainable urban strategies, which are today mandatory to allocate certain CP funds to certain areas or benefit from a dedicated budget, become optional. This shift risks weakening the territorial anchoring of innovation and just transition policies.

Despite these risks, the architecture of **the new Plans may offer some opportunities for promoting cohesion and place-based development in the EU**, as acknowledged by some experts (i.e. Böhme et al., 2025) and even managing authorities (Mendez et al., forthcoming). First, bringing all EU funds under shared management into a single plan may facilitate the adoption of more coherent and integrated responses to territorial challenges. This may be particularly beneficial for rural areas, where fragmentation across funding instruments has often limited effectiveness (see Chapter 5 for a more detailed discussion). Second, enhanced budgetary flexibility could allow Member States to address emerging cohesion challenges that are insufficiently covered under the current CP framework, such as the rural–urban divide and stagnation or decline in middle-income regions. Third, national plans and the inclusion of reforms in the Plans gives the Commission potential leverage to compel governments to design national policies that are more supportive of cohesion objectives.

To ensure that these opportunities are realised while mitigating the identified risks, targeted modifications to the proposal appear necessary.

[17] See, for instance, DG REGIO's webpage, which defines 'EU regional policy' as "the EU's main investment policy". It supports job creation, competitiveness, economic growth, improved quality of life and sustainable development, leaving no one and no region behind.

[18] See European Commission (2025c), Staff Working Document, Impact assessment report accompanying the proposal establishing the European Fund for economic, social and territorial cohesion, agriculture and rural, maritime, prosperity and security for the period 2028-2034 and amending Regulation (EU) 2023/955 and Regulation (EU, Euratom) 2024/2509, SWD(2025) 565 final, 16.7.2025, p.23

3.1. Recommendation 1: Clarify the intervention logic to promote cohesion and re-formulate the Proposal's objectives accordingly

As noted above, the intervention logic through which the Plan is expected to promote cohesion remains insufficiently articulated. This ambiguity is reflected in the articulation between the draft NRPP Regulation's general and specific objectives. The Proposal does not explain how the five general objectives relate to the 28 SOs, yet a reading of their content suggests that the objectives listed under the first and second pillars ("*prosperity*" and "*security and defence*") are meant to support the first general objective ("*reduce regional imbalances and promote European territorial cooperation*").

However, only about half of the SOs explicitly refer to reducing territorial inequalities or supporting disadvantaged territories, whether as a primary or secondary aim (see Annex III). The remaining SOs are formulated in strictly sectoral terms, the only territorial dimension being the commitment to pursue them "*across all regions*". Beyond the fact that, in some cases, implementing the objective across all regions may be inefficient (for instance, strengthening the Union's defence industrial base), an even territorial distribution of NRPP resources does not necessarily translate into a reduction of regional disparities.

To address this ambiguity, the proposal should clarify the intervention logic through which cohesion is to be pursued and how this logic is reflected in the relationship between the Fund's general and specific objectives. Two options are possible:

- It is legitimate to argue that the NRPP should serve Member States and regions in delivering key EU policy priorities, as suggested in the impact assessment. If this is the intended design, Article 2 should explicitly recognise it by **introducing an additional general objective such as "*supporting Member States and regions in delivering key policy priorities*"**. Article 3 should then clearly specify which of the specific objectives under the "prosperity" and "security and defence" pillars are intended to contribute to cohesion, and which pursue autonomous sectoral goals.
- Alternatively, if 'The Fund's' overarching goals are to promote cohesion, social and rule of law values and implement the CAP and fishery policies, **the specific objectives under Articles 3.1.a ("*prosperity*") and 3.1.b ("*security and defence*") should be reformulated to make explicit that their ultimate purpose is to contribute to the general objective set out in Article 2.a, namely the reduction of regional imbalances and the promotion of European territorial cooperation**.

Either approach would enhance legal clarity and reduce the risk of dilution of the Union's cohesion mandate.

3.2. Recommendation 2: Task the Commission to issue EU cohesion national recommendations to steer the preparation of the plans

The flexibility embedded in the NRPP, together with the inclusion of reforms within the Plans, creates potential opportunities to address cohesion challenges more effectively. They could also provide the European Commission with additional leverage to encourage national governments to make their national policies more cohesion friendly. According to Commission representatives interviewed for this study, one intended avenue is to strengthen the territorial dimension of the Country-Specific Recommendations (CSRs), which are expected to inform the preparation of the Plans.

However, relying on the European Semester and its CSRs as the primary means to guarantee the territorial dimension of the Plans presents several limitations. First, CSRs are adopted annually and are inherently short-term in nature, which sits uneasily with the long-term horizon of cohesion interventions. Second, NRPPs are only required to address the "relevant" CSRs; even if territorial CSRs are proposed, there is no guarantee they will be considered relevant. Third, CSRs are adopted by the Council. Unlike in the case of the RRF — aligned with the 2019 and 2020 CSRs adopted prior to its establishment — Member States will now be fully aware of the political implications of the recommendations that will be adopted. This is likely to incentivise more cautious positions in the Council, potentially weakening the territorial ambition of the recommendations.

For these reasons, **rather than including territorial considerations into the European Semester, the Proposal should empower the Commission to adopt dedicated EU Cohesion national recommendations to guide the preparation and implementation of the national plans**. These cohesion recommendations would be similar to the "CAP national recommendations" included in Article 2 of the 2028-2034 CAP Regulation, which guide Member States in preparing their national strategic plans. They would be adopted as standalone recommendations under the NRPP Proposal; provide strategic guidance tailored to the specific territorial and cohesion challenges of each Member State, and be grounded in a territorial analysis, drawing on statistical evidence and territorial impact assessments.

3.3. Recommendation 3: Subject the Plans to a territorial impact assessment (TIA)

Cohesion does not spontaneously come from an equitable distribution of funds across the territories. In the absence of strict thematic earmarking rules, it is possible that growth-enhancing investments (such as R&I investments or support to enhance firms' competitiveness) become concentrated in more developed regions, while investments aimed at improving quality of life (such as social infrastructure and basic services) are channelled predominantly towards less developed areas. While some productive investments concentrated in more developed regions can generate positive spillovers for poorer territories, an excessively skewed allocation risks exacerbating territorial disparities.

A way to mitigate this risk is to reintroduce thematic concentration rules. However, these rules are often criticised for their rigidity, and many interviewees consider that their removal is positive. **Another option, proposed by some experts (see Böhme et al., 2025), is to subject all NRPPs to a territorial impact assessment**. In particular, Article 22 would include an obligation for Member States to conduct a TIA to assess the territorial impact of the planned interventions, following clear Commission's guidelines on data and methods to be employed. If the TIA identifies important negative territorial consequences of certain NRPP interventions, Member States would have to justify the net benefit of these interventions or explain how they intend to mitigate these effects through complementary national policies. If conducting a TIA prior to the adoption of the plans proves unrealistic due to time constrains, an obligation could be introduced to carry out a TIA before 2030, in order to inform re-allocations during the mid-term review.

3.4. Recommendation 4: Clarify the meaning of "right to stay"

In line with the vision articulated in the report of the high-level group on the future of EU cohesion, as well as the "freedom to stay" principle enshrined in the Letta report, it is important that the Plans pay due attention to citizens living in the most disadvantaged territories. The NRPP Proposal includes a SO on that (Article 3.1.a, "*fostering the attractiveness of territories to support the right to stay, including by supporting strategies for the integrated development of urban and rural areas, including support for territorial services and infrastructure*"). However, the formulation lacks conceptual clarity:

- First, the expression "right to stay" may lead to the understanding that citizens are entitled to request equal access to all public services and investments across the territory. Such a reading could create legal ambiguity and unrealistic expectations. The formulation "freedom to stay" used in the Letta report would be more appropriate.
- Second, there is unclarity as regards to the type of territories that shall benefit from "right/freedom to stay" interventions. Article 3.1. only mentions urban and rural areas whereas Art 4 of the ERDF/CF Regulation request Member States to pay attention to a broader list of disadvantaged areas (rural areas, areas affected by industrial transition, northern sparsely populated regions, islands, cross-border and mountain regions, just transition areas, Eastern border regions). As noted by some experts (Schreiber, 2025b & Pazos Vidal, 2025) the Regulation does not provide a clear definition of many of these categories.
- Third, Article 3.1.a. lists a range of different possible interventions - integrated territorial strategies, investments in territorial services and infrastructure - without providing a clear purpose or expected outcome. When reading the article in combination of Article 4 of the ERDF/CF Regulation,[19] it seems to indicate that Member States should mostly pursue this objective by supporting locally led integrated territorial investment strategies. Yet, the attractiveness of territories depends on other factors, such as national reforms to ensure the provision of essential services, strong rural-urban connections and employment opportunities (see Münch et al., 2026).

To convert the right (freedom) to stay into an effective principle for action, the Commission should provide guidance on how to interpret and promote it. Such guidance should work as a basis for the formulation of national cohesion recommendations and the negotiation of the Plans between Member States and the Commission.

[19] Article 4 of the ERDF/CF Regulation ('support for disadvantaged areas') requests Member States to "*pay attention to addressing the challenges of disadvantaged regions and areas*" and, to this purpose, invites them to commit dedicated funding to support locally led integrated territorial investment strategies listed in Articles 74-76 of the NRPP Proposal.

4. A MORE CENTRALISED GOVERNANCE: IMPLICATIONS FOR REGIONAL AND LOCAL AUTHORITIES

KEY FINDINGS

- While the NRPP Proposal reaffirms the partnership principle, in practice, this principle only obliges the central government to 'involve' regional and local authorities in the planning and implementation of the plans.
- Under the NRPP framework, the role of regional governments in the planning and implementation of the Plans is left to each Member State's discretion. While this is already the case under the current framework, the absence of strict regional earmarking and the adoption of an integrated approach point to a more centralised governance structure.
- To a certain extent, a more centralised governance model is welcomed to guarantee a more strategic and integrated implementation of the Plans.
- Re-instating strict regional earmarking is not necessary to guarantee an appropriate involvement of regional authorities, and it would significantly reduce the much-needed budgetary flexibility of the Plans.
- It is important to ensure that respect for the subsidiarity principle and the division of legal competences guides the allocation of NRPP tasks across various government levels. To this end, it is advisable to integrate a "legal check" into the mandatory "regional check" proposed by President Von der Leyen.
- To ensure an appropriate chain of accountability, it is also recommendable to impose the use of region-specific milestones and targets if a measure falls within an area where regional authorities hold exclusive competences.
- There is a need to give regional governments greater predictability in the reimbursement of NRPP measures they implement. To this end, the NRPP Proposal should require Member States to include fulfilled milestones and targets in payment requests according to their chronological order of achievement.

While the NRPP Proposal reaffirms the partnership principle using a wording that largely mirrors Article 6 of the Common Provisions Regulation (CPR), in practice, this principle only obliges the central government to 'involve' regional and local authorities in the planning and implementation of the plans. Their role in planning and implementing the funds is left to each Member State, which can freely decide whether to create regional chapters. To a certain extent, the NRPP Proposal does not differ much from what exists today. In the current CP framework, the creation of regional programmes is left at the discretion of each Member State, and the Commission does not check whether the division of tasks between national and regional programmes reflects the division of legal competences in the country. However, the absence of strict regional earmarking and the adoption of an integrated planning approach point to a more centralised governance structure.

The shift from dedicated sectoral funds and programmes to integrated national plans may de facto re-nationalise parts of CP implementation. To a certain extent, such centralisation is welcomed. A more centralised governance model, with a central authority responsible for overseeing the implementation of the plans, ensuring coherence across the various chapters, collecting and managing data, verifying the fulfilment of milestones and targets, and submitting payment applications to the Commission, may support a more strategic and integrated approach.

Some regional representatives consider that a precondition to guarantee an appropriate involvement of regional authorities is to re-establish strict regional earmarking. They argue that regional authorities require predictability on the amount of funds they can manage, and this can only be provided by knowing in advance how much funding they will be in charge of implementing. **We differ from this vision**: In our view, adopting a strict regional earmarking would significantly reduce the much-needed budgetary flexibility of the Plans. Besides, while there will not be earmarked amounts for MDR and TRs, the distribution of funds per category of regions will be known from the start of the implementation, and there will be safeguards to ensure that transition and more developed regions receive an allocation equivalent to at least 75% of their current 2021-2027 allocation.[20]

Yet, we believe that additional provisions are necessary to ensure the appropriate involvement of regional and local authorities.

4.1. Recommendation 5: A "legal check" accompanying the "regional check"

The NRPP Proposal contains various articles mandating Member States to 'involve' regional and local authorities in the preparation, implementation and evaluation of the Plans. This requirement of involvement has been further reinforced with the introduction of the 'regional check' proposed by Von der Leyen in her letter of 9 November 2025. According to this letter, when presenting their NRPP plans, Member States will have to "*ensure a comprehensive regional check of the NRP Plan:*

- *by involving regional, local, urban, rural and other public authorities or associations representing such authorities in the design of the NRP Plan, and*
- *by setting out which authorities have been consulted, how these were selected, how their representativeness has been ensured and how their input is reflected in the NRP Plan in line with the code of conduct on partnership, and*
- *by including a summary of the consultation process conducted for the preparation of the Plan and each chapter*."

As pointed out by various regional representatives and CP experts, the regional check is rather vague and weak. To this end, **it would be advisable to integrate a 'legal check' into the mandatory 'regional check' proposed by President Von der Leyen**. The purpose of the legal check would be **to verify that:**

i) the allocation of responsibilities under the NRPPs is respectful of the division of legal competences between national, regional and local levels; and

ii) measures falling within the exclusive competences of regional authorities are linked to region-specific milestones and targets (see recommendation below).

To operationalise this requirement, Article 22 of the NRPP Proposal could require Member States to include, as an Annex to each NRPP, a 'legal conformity statement' explaining how these two conditions are fulfilled.

[20] Some regional representatives consider that these safeguards are weak, as Member States can overrule them. However, according to the modifications proposed by President Von der Leyen, Article 22.2.f of the NRPP Proposal, Member States should provide a justification based on objective criteria to deviate from this rule, such as the reduction of economic, social and territorial disparities or changes in the category of regions, changes in the size of the population.

4.2. Recommendation 6: Set region-specific milestones and targets for NRPP measures in areas of exclusive regional competence

In line with the precedent recommendation, **in areas where regional authorities hold exclusive competences, NRPP measures should be linked to region-specific milestones and targets, with payments reflecting each region's progress**. This is essential to ensure an appropriate chain of accountability. Otherwise, if milestones and targets are defined at the national level and on an aggregate basis, it will be difficult to attribute the responsibility for the failure or success of the milestone to specific public authorities. Besides, some regional authorities may be unfairly punished for the lack of progress made by others. The obligation to define milestones or targets at the regional level in cases in which the measure falls within the exclusive regional competence could be inserted in Article 21.2 ("preparation and submission of the plan") or Article 22.2.c ("requirements for the NRP plan").

4.3. Recommendation 7: Guarantee predictable and timely payments to regional authorities

Even if the Plans include regional chapters managed by regional authorities and corresponding region-specific milestones and targets, the role of regional authorities risks being diminished as the national government will be in charge of preparing and submitting payment requests to the Commission, receiving EU payments and distributing the payments to the other authorities implementing the plan.

Regional authorities should be entitled to receive regular payments linked to implementation progress. While this principle is affirmed in Recital 29 of the Regulation, it is significantly weakened in practice by Article 50. The provision merely requires Member States to ensure that, once the Commission disburses a payment, the corresponding amounts due are transferred to regional authorities. Since central authorities retain full discretion over which milestones and targets are included in each payment request to the Commission, they effectively control the timing and sequencing of payments to regions, creating a risk of selective behaviour.

Addressing this issue is complex. Central governments need a degree of flexibility to bundle milestones and targets into payment requests in order to accommodate different implementation speeds across measures and territories. To address this, **Article 65 on payment applications could require Member States to include fulfilled milestones and targets in payment requests according to the chronological order of their achievement. This would help ensure more predictable payments to regional authorities while preserving sufficient flexibility for programme management**.

5. IMPLICATIONS OF ADOPTING A MORE FLEXIBLE AND INTEGRATED PROGRAMMING FRAMEWORK

KEY FINDINGS

- NRPPs offer opportunities for more integrated and flexible interventions, but a smaller budget (in real terms) and inclusion of new priorities (industrial policy, defence) may create competition with traditional sectors like agriculture and cohesion.
- The 14% social and 43% climate/environmental objectives will shape allocations. If social coefficients are not properly calibrated, there is a risk that Member States meet the 14% social target mainly through indirect measures (such as infrastructure projects or broad reforms) rather than direct social interventions. The 43% climate and environmental target may be easier to achieve, as expenditures under the CAP (like sustainable farming subsidies) count towards it.
- The NRPP Proposal proposes a more integrated approach to deal with crises and emerging needs through the establishment of a 25% mandatory flexibility reserve but there is unclarity on how this mandatory reserve will interact with geographic and thematic earmarking requirements.
- The 10% rural target risks being absorbed by CAP-related interventions and will be difficult to monitor. Instead of a focus on rural areas, it would be more advisable to earmark 10% to support integrated local development strategies.
- It is also recommendable to introduce safeguards to prevent CAP-related expenditures crowd out cohesion-oriented investment. To this end, the Proposal should exclude all CAP and CFP related interventions from the minimum allocations for less developed regions.
- Clear safeguards shall be included to prevent that the 15% reserve for the mid-term review is mobilised in advance for short-term needs.

The shift towards more integrated and flexible programming is widely seen as a major opportunity. At the same time, as noted by several experts (Mendez et al., 2025; Schreiber et al., 2025), **integration in a context of a reduced envelope in real terms creates risks of budgetary competition between sectors** that currently benefit from EU funding, **particularly agriculture and cohesion**. There is also concern that the inclusion of new eligible areas (such as industrial policy or defence) could divert resources away from traditional cohesion-related investments. Most interviewees, however, consider the risk of a major reallocation towards new priorities to be limited, except in specific countries or regions where some new EU priorities are particularly salient.

The obligation to meet the 14% social objective and the 43% climate and environmental objective may also drive allocation choices. Regarding the social target, some experts interviewed welcome the possibility of combining different types of interventions — investments in social infrastructure, reforms and support to services — to reach the threshold. Others warn that the social coefficients assigned to interventions in the Performance Regulation for the 2028–2034 MFF should be carefully reviewed to avoid situations where Member States meet the 14% target mainly through infrastructure investments or reforms. As for the 43% climate and environmental target, several interviewees note that it will be relatively easy to achieve, given that all CAP-related interventions are counted towards it.

The NRPP Proposal proposes a more integrated approach to deal with crises and emerging needs through the establishment of a 25% mandatory flexibility reserve in all Plans. However, as pointed out by many interviewees, it is unclear how this mandatory reserve will interact with geographic and thematic earmarking requirements.

5.1. Recommendation 8: Replace the 10% rural target with a 10% earmarking to support integrated local development strategies

Almost all interviewees acknowledge the strong potential of the NRPPs to support more integrated rural development interventions. However, the Plan's regulatory framework does not ensure that this potential will materialise. Many cohesion experts and regional representatives fear that the 10% rural target will be entirely absorbed by CAP-related interventions. These concerns are understandable given that the rural target was presented by President Von der Leyen as a response to demands to secure CAP funding. A second issue concerns monitoring. The 10% rural target is to be tracked through a specific expenditure code for rural areas. As noted by Matthews (2026), this approach is difficult to implement because many investments cannot be easily classified by territorial type.[21] Besides, neither the NRPP Proposal nor the EU budget performance regulation includes a clear definition of what is 'rural' (Pazos Vidal, 2025).

Instead of earmarking funds to support rural areas, it would be more advisable to earmark funds to support integrated local development strategies, leaving discretion to Member States to distribute the amounts between different local realities. The Committee of the Regions (2026) makes a similar recommendation, proposing a minimum target of 20% for integrated territorial development strategies. However, a 10% target seems more appropriate given that it broadly corresponds to what is presently spent in rural areas and cities by Cohesion and CAP put together (Pazos Vidal, 2026). This earmarking would also create an incentive for Member States to maintain existing support for sustainable urban development strategies, which currently benefit from a 7% ERDF earmarking in the 2021–2027 programming period.

5.2. Recommendation 9: Ensure that ringfenced allocations for less developed regions support cohesion-related interventions

Under the proposed framework, CAP ringfenced amounts are not taken into account when calculating the minimum ringfenced amounts for less developed regions. However, CAP and Common Fisheries Policy (CFP) interventions above the ringfenced amounts can be counted towards the minimum ringfencing for less developed regions. Given that less developed regions typically have a higher share of agricultural activity, this creates a potential distortion. If a Member State decides to finance additional CAP interventions using non-ringfenced resources, these amounts could be counted as part of the minimum ringfenced amounts for LDRs, resulting in fewer funds to support these regions' long-term development. To prevent this outcome, **all CAP and CFP-related interventions should be excluded from the calculation of minimum ringfenced allocations for LDRs**.

5.3. Recommendation 10: Prevent early access to the mid-term review reserve

Reserving 15% of the NRPPs allocations to be redeployed after the mid-term review in response to new needs and performance considerations is a positive development. However, there is a risk of seeing this reserve used primarily in response to short-term political pressures rather than strategic priorities.

[21] As explained by Matthews (2025), the application of territorial codes to all interventions was already implemented in the 2014-2020 period, but roughly half of all Cohesion Policy investments could not be categorised by territorial type.

This risk is illustrated by President Von der Leyen's proposal of 6 January 2026 to amend the NRPP Proposal to allow Member States to immediately access the share of the flexibility reserve earmarked for the 2031 mid-term review, with a view to mitigating the effects of the EU–Mercosur agreement on farmers.

The **proposed modification raises several concerns**. First, the NRPP framework contains a dedicated EU-level instrument to address disturbances in agricultural markets — the "Unity Safety Net". From both efficiency and solidarity perspectives, mobilising this common instrument would be more appropriate than depleting national flexibility reserves. Second, the proposed modifications lack targeting:[22] Member States could use up to two-thirds of the resources reserved for the 2031 review to finance any type of CAP intervention, without requiring a clear and demonstrable link to the specific consequences of the Mercosur agreement. Taken together, these shortcomings suggest that **the proposed modification should be rejected**.

More broadly, this episode reveals a structural vulnerability in the proposed framework: the risk that the 15% reserve may be systematically mobilised ahead of the mid-term review to deal with short-term issues. **Article 14.2.b allows part of the resources reserved for the mid-term review to be requested earlier "*in duly justified and exceptional circumstances*". We do not see the need for such provision**, given that national plans can count on a 10% reserve for crisis situations and there will be a EUR 8.7 billion "budget cushion" for emerging challenges and priorities under the EU Facility (Article 26.4.b). To preserve the strategic nature of the reserve, **Article 14.2. should be amended to delete the possibility of having access to the reserve before 2030**.

[22] In particular, the letter proposes to include a new sub-paragraph at the end of Article 14.2.b: "*When submitting or amending its plan before the mid-term review, Member States may use up to two-thirds of the amount available for the mid-term review for interventions referred to in Article 35.1 or for measures dedicated to rural areas.*"

6. FROM COST-BASED TO PERFORMANCE-BASED REIMBURSEMENT: IMPLEMENTATION CHALLENGES AND RISKS

KEY FINDINGS

- The NRPP performance-based approach addresses several RRF shortcomings by introducing a common set of output indicators, assigning ex ante payout values to each milestone/target, linking payments strictly to achieved milestones, and allowing greater flexibility in modifying and selecting milestones for payment requests.
- However, the simplification gains may be overestimated. The adjustment costs to shift from a cost-based to a performance-based model will be significant, particularly for weaker administrations. Besides, the lack of clarity on the audit approach may incentivise continued cost data collection, potentially undermining the simplification objective. The emphasis on output-based milestones may favour "safe" and easily measurable projects over innovative or riskier initiatives, potentially replicating a compliance-driven logic rather than genuinely focusing on long-term outcomes.
- The Commission should issue clear methodologies to define milestones, targets and payout values. It should also develop standard, off-the-shelf unit costs or flat rates for commonly supported activities and offer reinforced, targeted technical support for weaker administrations.
- It is also advisable to create a handbook to calculate payout values for common investments and reforms to anchor the valuation in objective benchmarks and guarantee a harmonised approach.
- There is also a need to formulate an alternative milestone framework for riskier interventions, framed as pilot actions, proof-of-concept achievements, or demonstration results, focusing on learning, process, and feasibility rather than immediate outputs or cost-efficiency.

The shift from a cost-based to a performance-based delivery approach has been presented by the Commission as a way of putting stronger emphasis on outputs and outcomes rather than on procedural compliance. The performance-based approach has nonetheless been widely criticised in light of the RRF experience. Several of these criticisms are well-founded, in particular regarding the quality and relevance of indicators, and the administrative burden generated by the system.

Several lessons from the RRF appear to have been internalised in the NRPP Proposal. In contrast to the RRF, where milestones and targets were defined using heterogeneous approaches, Member States will now be required to define final targets on the basis of a common set of output indicators laid down in the new EU budget performance regulation. Moreover, shortcomings observed under the RRF, e.g. where disbursements did not always reflect progress on the ground, including cases where substantial payments were made at an early stage merely for the adoption of plans or strategies, are addressed. Under the new system, payments will correspond to the aggregated payout value of the milestones and targets effectively achieved and the Commission will be allowed to recover amounts paid for interim steps if the final milestone or target is not fulfilled. In addition, some of the operational rigidities of the RRF model, such as payments being organised in pre-fixed bundles of milestones and targets and the difficulty of amending them, appear to have been mitigated by allowing greater flexibility to modify milestones and targets in response to changing circumstances and allowing Member States to select the milestones and targets to be included in payment requests.

Despite these adjustments, several issues still pose problems.

First, **it is not evident that the new system will deliver genuine simplification gains**. Some interviewees consider that the adjustment cost may be largely underestimated. As evidenced by previous CP reforms, any change in the rules initially translates into more rather than less administrative complexity: managing authorities shall run two systems in parallel and in the absence of clear Commission guidance, there is a lot of uncertainty on how the new rules shall be implemented. In addition, this time the change is so important that it will require substantial efforts to re-skill the public sector workforce and reorganise procedures. The level of uncertainty will also be higher, particularly on how to set payout values for milestones and targets. This will be particularly challenging for reforms, where outcomes are less tangible and harder to quantify in advance. In short, as expressed by an interviewee, "there is a risk that simplification gains do not materialise this next programming period but the following one".

Another issue of concern is that the NRPP Proposal explicitly states that national managing and control authorities should not check operation costs. However, **the European Court of Auditors emphasises the need to verify underlying costs** to ensure compliance with EU and national law and avoid fraud, corruption, double funding, and conflicts of interest (ECA, 2026). In practice, Member States may therefore continue to collect extensive cost data to pre-empt potential audit issues.

Some interviewees also question the plausibility of applying an N+1 rule. However, the rule will apply to the overall national plan rather than to individual programmes (unlike the current N+2/N+3 rule). It will therefore mainly require steady implementation of the plan as a whole, while leaving Member States discretion to select the milestones and targets included in each payment request, allowing delays in specific chapters. However, as pointed out by the ECA (2026), the application of the N+1 rule may favour measures that can be implemented faster rather than more complex measures.

Various interviewees, as well as some managing authorities (see Mendez et al., forthcoming), also consider that the performance-based approach may prioritise "safe" projects with predictable results at the expense of innovation or risk-taking. With all final milestones and targets being based on output indicators rather than on outcomes or results, there is a risk that the system ultimately reproduces a logic similar to the current one, whereby payments are effectively made for the delivery of actions, services, or infrastructure rather than their impact.

In response to these challenges, one can imagine some possible changes to the proposal.

6.1. Recommendation 11: Provide clear guidance and reinforced technical assistance to weaker administrations

As said above, Member States' administrations risk being overloaded with the tasks of defining milestones and targets and corresponding payout values, reorganising internal workflows and re-skilling public sector staff, setting up appropriate information collection IT systems while operating performance-based and cost-based controls in parallel. This will be even more difficult in the absence of clear and harmonised Commission guidance and for sub-national administrations having weak technical capacity. To mitigate these problems:

- **The Commission should provide clear and timely guidance** on methodologies for defining milestones and targets and approaches to set payout values (see recommendation below).
- It should also provide support to establish simplified forms of support towards beneficiaries. An option could be to **develop standard, off-the-shelf unit costs or flat rates for commonly supported activities**. These off-the-shelf options, validated ex ante by the Commission's own audit authorities, would reduce the administrative burden and increase legal certainty regarding audit treatment.

- In addition, the Commission should **establish a reinforced and differentiated technical assistance for weaker administrations**, focused in particular on providing support in key areas such as performance budgeting, indicator design and measurement, information collection and sharing (for transparency and monitoring), and IT systems interoperability.

6.2. Recommendation 12: Develop a methodological handbook to calculate payout values

A core source of uncertainty in the performance-based model concerns the determination of payout values for milestones and targets. As highlighted by the ECA (2026) opinion, "it is unclear whether these values will reflect the relative importance of each milestone or target, be proportionate to the cost estimated as being needed to achieve them or follow another approach". This challenge is particularly acute for reform measures, where costs are difficult to estimate or may be completely absent (for instance, in the case of legislative reforms, which carry no direct cost). In the absence of common and objective criteria, there is a risk of seeing payout values – for both investments and reforms – being calculated and justified differently in the various NRPPs.

To address this problem, we propose that the Commission develop a methodological handbook establishing (i) predefined payout values for reform outputs and (ii) harmonised criteria for calculating payout values across Member States for commonly supported types of investments. For investments, payout values could be derived from historical cost data (e.g. unit costs for infrastructure, service delivery outputs, or equipment procurement), adjusted for inflation and differentiated to reflect national price levels. This would anchor the valuation in objective benchmarks and guarantee a harmonised approach across countries.

For reforms, although more challenging, harmonised predefined values are necessary to avoid leaving the valuation of individual reforms to bilateral negotiations between the Commission and national governments. Reforms without a direct budgetary cost raise a conceptual challenge, as the payout functions not as reimbursement but as an incentive mechanism. In such cases, **payout values could be calculated as a percentage of the relevant impacted costs—i.e., the expenditure based on which the efficiency gains generated by the reform are expected to apply**. For example, a reform of public procurement could be valued as a percentage of the total annual value of public tenders in the country, while a reform of the judiciary could be valued as a percentage of total justice system costs.

Importantly, the use of the handbook should remain optional. Member States wishing to define context-specific payout values could continue to do so, provided they offer appropriate justification.

6.3. Recommendation 13: Formulate milestones to support more risk-prone and experimental activities

Performance-based approaches work well when outputs are predictable but are less appropriate for experimental or highly innovative interventions for which outputs may not materialise in predictable ways. As a result, promising policy experimentation approaches (i.e. in social policies), support to highly innovative firms (or operating in new markets) or disruptive innovation research projects risk being underfunded through the Plans. To address this, an alternative milestone framework could be designed for riskier interventions, one that does not rely on conventional output metrics. Milestones could be framed as pilot actions, proof-of-concept achievements, or demonstration results, focusing on learning, process, and feasibility rather than immediate outputs or cost-efficiency. Clear guidance and examples of acceptable pilot-based milestones should be provided to facilitate implementation.

7. BEYOND THE NATIONAL PLANS: COMPLEMENTARITIES AND SYNERGIES WITH THE EUROPEAN COMPETITIVENESS FUND

KEY FINDINGS

- The steering mechanism will facilitate the coordination between different EU programmes on annual basis. However, this coordination will remain largely high-level and have limited influence on national plans given their long-term nature.
- The NRPP Proposal includes some mechanisms to promote synergies at the project level with the ECF. However, these mechanisms are mainly designed to ensure EU financing for excellent projects (through the use of 'seals') or reduce the administrative burden for Member States' managing authorities by delegating implementing tasks to the EU level (through transfers).
- There is a fundamental tension between the ECF, which supports competitiveness by exploiting scale economies and creates agglomeration effects, and the NRPPs, which aim to ensure a territorially balanced development and promote convergence.
- To reduce this tension, the preamble of the NRPP Proposal should acknowledge the potential negative territorial effects of large-scale industrial investments financed under the ECF and the EU Facility should be explicitly tasked to mitigate these effects.
- It is also important to reinforce the support for interregional innovative investments and Smart Specialisation Strategies, which would help align top-down driven competitiveness actions with bottom-up innovation ecosystems.

One of the stated objectives of the new MFF Proposal is to foster synergies between EU programmes while reducing duplication and fragmentation. In the case of the NRPPs, it is particularly important to analyse the potential complementarities and synergies with the ECF, which aims to increase European competitiveness notably by supporting investments in strategic sectors and technologies.

Compared to the current CP framework, coordination at the planning stage should be easier in the next MFF. In particular, NRPPs and the ECF will be aligned through a steering mechanism providing guidance on key policy priorities to be financed under each annual budget procedure. **However, this coordination will remain largely horizontal and high-level**. Besides, given the multiannual nature of the NRPPs, only the steering exercises in 2027 (before the start of the MFF) and in 2030 (ahead of the mid-term review) are likely to meaningfully shape national plans.

The proposal also includes some mechanisms to facilitate the combination of funds at the project level, such as the use of 'seals' and the possibility of transferring part of their NRPPs funds to EU instruments implemented under direct or indirect management. However, these mechanisms are mainly designed to ensure sufficient EU financing for excellent projects ('seals') or reduce the administrative burden for NRPP authorities by delegating implementing tasks to the EU level (transfers). They are not aimed at ensuring a complementary use of NRPPs and ECF resources to achieve overlapping EU-level objectives.

And yet, important tensions exist between NRPPs and the ECF. The manner in which the ECF is expected to allocate and deploy resources will, in practice, shape the EU's industrial policy, drawing on the logic of the Draghi report. This is significant because the EU has never articulated a fully-fledged, explicit industrial policy, but over time, Cohesion Policy has functioned as the Union's de facto industrial policy, guiding regional development through a bottom-up, place-based approach centred on smart specialisation. This divergence gives rise to a fundamental policy tension between two ways of promoting competitiveness and growth: through agglomeration, excellence and scale on the one hand and through convergence and territorial balance on the other.

There is a need to mitigate this tension. This requires, first of all, acknowledging that the ECF should be exclusively driven by a merit-based approach. Only by maintaining a clear strategic focus and allocating resources to the best projects can the ECF have a meaningful impact on key strategic sectors. At the same time, it is important to recognise the potential secondary territorial effects of large-scale industrial investments financed under the ECF. While such investments may enhance EU competitiveness, they can also generate agglomeration dynamics, concentration of economic activity, and ultimately widen territorial disparities in Europe.

The NRPP Proposal should acknowledge the need to mitigate these potentially negative territorial effects from ECF initiatives and specific procedures and mechanisms could be included to allow use of "The Fund" to mitigate these effects.

7.1. Recommendation 14: Ensure synergies between the ECF and the EU Facility

The mechanisms and procedures that exist today to coordinate the ECF and "The Fund" are centred on how to exploit synergies between the ECF and the national plans. These synergies, however, will always be limited by the different nature of the two instruments – one managed at the EU level and mostly focused on supporting projects with strong trans-national dimension, the other based on pre-allocated envelopes and mostly financing measures having a national or regional dimension.

In our view, the EU Facility is better equipped to mitigate the potential negative territorial effects of interventions financed under the ECF. This could be achieved through different types of Union actions. For example, the Facility could launch calls in key EU priority areas aligned with ECF calls but restricted to firms located in less developed regions or Member States. It could also support initiatives aimed at strengthening interregional value chains, provide targeted support to scaling start-ups, or finance dedicated upskilling schemes in less developed regions and countries.

Recital 39 of the draft NRPP regulation presents the EU Facility as an instrument to "complement implementation at national and regional level", in particular by supporting projects with a transnational dimension and high European added value requiring coordination at the EU level, helping Member States respond swiftly to crises or adjust to emerging priorities, and providing technical support to national authorities. **An amendment to this recital could be added to explicitly state that the EU Facility is also an instrument "to complement the ECF actions" in view of guaranteeing the Union´s "overall harmonious development" requested by Article 174 TFEU**. **Annex XV already includes a "Union action" which allows the use of the Facility to support cross-border and multi-country projects, including IPCEIs, and other interventions aimed at closing the innovation gap**. However, it is unclear how this support will be provided, whether it will be only used to support trans-national and multi-country projects or also projects benefiting a single Member State and, in this latter case, which criteria will be used to allocate the support. **This Union action could be reformulated to make it clear that these interventions will be designed and implemented in close coordination with ECF interventions and in view of mitigating expected negative territorial effects from ECF-financed actions**.

7.2. Recommendation 15: Reinforce the financial support for interregional innovative investment (I3) projects and incentivise the adoption of Smart Specialisation Strategies (S3)

Interregional innovative investment (I3) projects and Smart Specialisation Strategies (S3) constitute essential instruments for anchoring industrial policy in territorial realities while connecting regional innovation ecosystems to EU-level strategic priorities. They operationalise the place-based approach by encouraging regions to identify comparative advantages, concentrate resources, and engage in interregional value chains. Despite some past implementation weaknesses, these instruments have significant potential to foster interregional collaboration and territorial competitiveness. In the context of the proposed NRPP architecture, where industrial policy is increasingly shaped by top-down priorities and centrally managed instruments, the risk is that regional innovation dynamics become marginalised or fragmented. Discontinuing or weakening I3-type instruments would further reduce incentives for structured interregional cooperation. **Funding of I3 projects should be maintained and reinforced**. Furthermore, the **integration of "seal of excellence" projects into I3 schemes could be encouraged** to improve the uptake of high-quality proposals that are underfunded due to budget constraints.

At the same time, incentives should be introduced to encourage regions to adopt, update, and effectively implement Smart Specialisation. Despite some weaknesses, the underlying methodology remains crucial for ensuring strategic focus and avoiding the dispersion of resources.

8. THE ROLE OF THE EUROPEAN PARLIAMENT IN THE ADOPTION AND MONITORING OF THE PLANS AND IN THE USE OF THE EU FACILITY

KEY FINDINGS

- The NRPP Proposal offers potential benefits in terms of transparency: Member States will have the obligation to publish data in a digital-ready, open, interoperable, and machine-readable format, and all data will be collected in a Single Gateway. However, the Commission will only publish a single implementation report four years after the start of the implementation (instead of annual implementation reports, as it is the case for the RRF). This may reduce the EP's capacity to exert policy scrutiny.
- To ensure proper accountability, the Proposal could allow the EP to request the reports of annual review meetings, which will be organised once a year between the Commission and each Member State to examine the performance of the Plan or its chapters. In addition, the Commission could be asked to publish bi-annual implementation reports, providing detailed information on the pace of implementation and results achieved.
- The procedure to adopt delegated acts (Art 87) should be amended in order to give two months (instead of one month) to the Council and the Parliament to revise the content of the acts and object if necessary.
- The EP should also request more clarity on the criteria to allocate the EU Facility´s resources to Union actions. One possibility would be to request the Commission to make a detailed proposal on how to mobilise the EU Facility's resources in its 'strategic report' presented in the autumn preceding the annual budgetary procedure. This would allow the EP and the Council to have a discussion on the priorities to be financed through the EU Facility, during the so-called 'steering mechanism' preceding the start of the annual budgetary procedure.

Unlike current CP programmes that are unilaterally approved by the Commission, the NRPPs will be adopted through a Council implementing decision (replicating the procedure used to adopt the National Recovery and Resilience Plans (NRRPs)). This asymmetry between the two co-legislators (the Council and the European Parliament) in the adoption of the NRRP plans was criticised by some scholars when the RRF was adopted (e.g. Guttenberg and Nguyen, 2020). However, most experts and stakeholders interviewed in the study considered the European Parliament's adoption inappropriate, as the Parliament, being a legislative body, lacks the technical capacity and expertise to assess the content of the Plans. As legislative and budgetary authority, however, the European Parliament has the right to monitor the implementation of the Plans. In this respect, while the NRPP Proposal offers potential benefits in terms of transparency, it also has some weaknesses.

Another aspect that merits attention is that the new MFF Proposal transforms the annual budgetary procedure from a predominantly technical and accounting exercise into a substantive decision-making moment. A significant number of resources may be mobilised or reallocated during the yearly procedure to adjust to changing needs, including through facilities or reserve mechanisms. In the case of "The Fund", this involves the mobilisation of the EU Facility to finance the different Union actions. There is a lack of clarity on the procedures to mobilise these amounts.

8.1. Recommendation 16: Enhance the EP´s capacity to oversee the implementation of the Plans

The NRPP Proposal offers potential benefits in terms of transparency: Member States will have the obligation to publish data in a digital-ready, open, interoperable, and machine-readable format, and all data will be collected in a Single Gateway. However, the Commission will only publish a single implementation report four years after the start of the implementation (instead of annual implementation reports, as it is the case for the RRF). This may reduce the EP's capacity to exert policy scrutiny to a formality, focused on whether milestones have been met rather than on an evaluation of obstacles in implementation and results achieved.

To prevent this outcome, several adjustments could be considered:

- As suggested by De Lemos et al. (2026), the Proposal could allow the EP to request the reports of annual review meetings, which will be organised once a year between the Commission and each Member State to examine the performance of the Plan or its chapters (Art 49.10 NRPP Proposal).
- The Commission could be obliged to publish bi-annual implementation reports, providing detailed information on the pace of implementation and results achieved.
- EP could be granted a structured dialogue mechanism on the basis of the reports.

Strengthening reporting frequency and access to information would ensure that EP oversight moves beyond formal milestone verification and supports meaningful policy evaluation.

8.2. Recommendation 17: Give more time to the Parliament and the Council to revise delegated acts

The draft regulation empowers the Commission to adopt delegated acts to amend various important elements, such as Article 58 (responsibilities of Member States, reporting on irregularities) or Annexes VIII (fulfilment of milestones and targets), IX (progress on implementation), XI (payment application), XV (Union actions) and XIV (financial corrections). The procedure to adopt delegated acts, set out in Article 87, gives one month to the Parliament and the Council to express an objection to a delegated act and eventually force its rejection (Article 87.6), whereas, under the current CP framework, the two co-legislators have two months to revise delegated acts. It does not seem justifiable to reduce by half the time allowed to revise delegated acts. Therefore, Article **87.6 should be amended to give 2 months to the Parliament and the Council to revise delegated acts and eventually express their objections**.

8.3. Recommendation 18: Guarantee sufficient involvement of the EP in decisions over the mobilisation of the EU Facility

The new MFF Proposal transforms the annual budgetary procedure from a predominantly technical and accounting exercise into a substantive decision-making moment. A significantly higher number of resources will be mobilised or reallocated during the yearly procedure, including through facilities or reserve mechanisms. In the case of "The Fund", this involves the mobilisation of the EU Facility to finance the different Union actions.

The EU Facility can be used to finance 14 different Union actions. 82% of the resources are pre-allocated to only three actions:

- the CAP 'safety net' (a reserve of funds to cover the costs of market-based and health-related agricultural crises);

- the EU Solidarity Fund (providing recovery support to natural disasters, see section 3 below); and
- some EU-level interventions in the field of migration, internal security and border control.

This leaves only 18% of the resources to finance the remaining 11 actions. Given that these 11 Union actions include genuinely new initiatives and initiatives which currently have a dedicated budget (such as the EU Urban Initiative or the I3 projects), some interviewees anticipate the Commission's proposal on how to mobilise the Facility not being mostly guided by needs but the result of an internal balance of powers between the different DGs.

To prevent this to happen, the EP should request more clarity on the criteria and procedures to allocate the EU Facility's resources. One possibility would be **to request the Commission to make a detailed proposal on how to mobilise the EU Facility's resources in its 'strategic report' presented in the autumn preceding the annual budgetary procedure (see Box 1 in Chapter 2.6.2)**. This would grant the EP and the Council sufficient time to discuss the priorities to be financed through the EU Facility, during the so-called "steering mechanism" preceding the start of the annual budgetary procedure.

9. CONCLUDING REMARKS

The study begins with a legal comparison of the 2021–2027 Cohesion Policy (CP) framework and the post-2027 proposal, which reveals a considerable transformation in the approach to Cohesion Policy. Based on this comparison, published analyses by independent experts and stakeholders on the Commission's new MFF Proposal and insights from 13 semi-structured interviews conducted between November 2025 and January 2026, the study highlights various findings that warrant careful consideration and that are used as a basis to formulate policy recommendations to enhance the Proposal's effectiveness in achieving the objectives of Cohesion Policy.

First, the NRPP Proposal is not underpinned by a clear intervention logic on how to promote cohesion. Reducing regional imbalances and promoting territorial cooperation is one of the five general objectives guiding the Plans - alongside implementing the EU´s social objectives, the Common Agricultural Policy (CAP) and the Common Fisheries Policy and the promotion of democracy and the rule of law. Yet, only about half of the Plan's specific objectives which are more directly concerned with the pursuit of this cohesion objective - those under the pillar's "prosperity" and "security and defence" - explicitly refer to reducing territorial inequalities or supporting disadvantaged territories, whether as a primary or secondary aim. The dominant sectoral approach risks diluting the core objective of the Cohesion Policy within the Plans. In addition, the place-based approach, which underpins the current Cohesion Policy, is no longer a central feature of the NRPP interventions.

Second, while the NRPP Proposal reaffirms the partnership principle, in practice, this principle only obliges the central government to 'involve' regional and local authorities in the planning and implementation of the plans. How specifically they will be involved is left to each Member State's discretion. To a certain extent, the system does not differ much from what exists today. In the current CP framework, the creation of regional programmes is left at the discretion of each Member State, and the Commission does not check whether the division of tasks between national and regional programmes reflects the division of legal competences in the country. However, the absence of strict regional earmarking and the adoption of an integrated approach point to a more centralised governance structure.

To a certain extent, greater centralisation is welcomed. A more centralised governance model, with a central authority responsible for overseeing the implementation of the plans, ensuring coherence across the various chapters and collecting and managing data may support a more strategic and integrated approach. However, it is important to ensure that the Plan's governance respect the principle of subsidiarity and guarantee an appropriate chain of accountability.

Third, the merging of CP and CAP funds may offer opportunities to reduce overlaps and formulate more integrated approaches to rural development. However, this integration is made in a context of reduced real-term resources - the overall financial envelope for CAP and cohesion declines by approximately 14% in real terms. Against these circumstances, there is a high risk that synergies do not materialise. The 10% rural target risks being absorbed by CAP-related interventions and will be difficult to monitor. The draft NRPP Regulation reserves 15% of the NRPP funds to be redeployed after the mid-term review in response to new needs and performance considerations (Article 14.2,b) but there is a risk that this money is being used in advance to respond to short-term needs.

Fourth, the NRPP Proposal represents an improvement with respect to the RRF in the implementation of a performance-based approach. It harmonises the definition of milestones and targes, assigns ex ante payout values to each milestone/target, links payments strictly to achieved milestones and allows greater flexibility in modifying and selecting milestones for payment requests. However, the simplification gains may be overestimated. The adjustment costs to shift from a cost-based to a performance-based model will be significant, particularly for weaker administrations. Besides, the lack of clarity on the audit approach may incentivise continued cost data collection, potentially undermining the simplification objective. A performance-based approach may be also difficult to apply to high-risk and innovative operations.

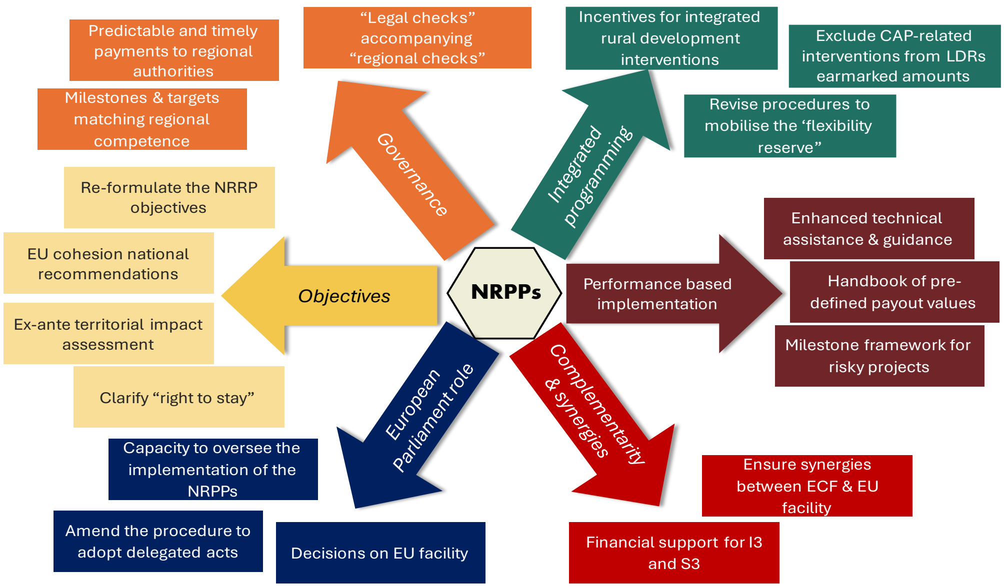
Fifth, the NRPP Proposal includes some mechanisms to promote synergies at the project level with the ECF. However, these mechanisms are mainly designed to ensure EU financing for excellent projects (through the use of 'seals') or reduce the administrative burden for Member States' managing authorities by delegating implementing tasks to the EU level (through transfers). They will not ensure a complementary use of NRPPs and ECF resources to achieve overlapping EU-level objectives.

Sixth, the NRPP Proposal offers potential benefits in terms of transparency, but risks limiting the European Parliament's capacity to exert effective scrutiny. The Parliament's role in deciding on the use of the EU Facility is also unclear.

9.1. Policy recommendations

Against this background, the study formulates **18 policy recommendations** structured around **six pillars**, aimed at ensuring that the new architecture reinforces rather than erodes the territorial foundations of EU spending (see Figure 4) and enhances effectiveness towards the achievement of the objectives of Cohesion while adapting the framework to a more responsive Union.

Figure 4. Summary overview of the policy recommendations to improve cohesion in NRPPs



Source: Authors' elaboration

1. Capacity to pursue cohesion objectives through the NRPPs

The intervention logic to support cohesion should be clarified and the general and specific objectives of the NRPPs should be reformulated accordingly. To ensure that NRPPs are cohesion-friendly, it is also advisable to empower the Commission to issue country-specific cohesion recommendations (separate from the European Semester) to guide the plan preparation of the Plans and submit the draft Plans to mandatory territorial impact assessments. It is also important to clarify the "right/freedom to stay" concept. Providing guidance on its meaning and operationalisation will ensure concrete and realistic interventions in support of the most disadvantaged areas.

2. Governance of the NRPPs – the role of regional and local authorities

Given the expanded discretion of national governments, safeguards are required to preserve meaningful regional involvement. In particular, the study recommends imposing a 'legal check' alongside the 'regional check' to guarantee that the distribution of NRPP tasks respects the legal division of competences, introduce region-specific milestones and targets in areas of exclusive regional competence (to guarantee an appropriate chain of accountability and avoid penalising well-performing regions if other regions do not perform well) and ensure predictable and timely payments to regions.

3. Integrated and flexible programming

Some safeguards should be introduced to prevent CAP-related expenditures crowd out cohesion-oriented investment. The 10% rural target risks should be replaced by a 10% earmarking to support integrated local strategies, leaving discretion to Member States to distribute the amounts between different local realities. In addition, non-ringfenced CAP and CFP spending should be excluded from the minimum allocations for less developed regions to ensure that funds support cohesion-related interventions and Art 14.2 should be amended to prevent early access to the 15% reserved for the mid-term review.

4. Challenges and risks linked to a shift towards a performance-based delivery model

The Commission should issue clear methodologies to define milestones, targets and payout values, develop standard, off-the-shelf unit costs or flat rates for commonly supported activities and offer reinforced, targeted technical support for weaker administrations. It is also advisable to create a handbook of pre-defined payout values for common investments and reforms. There is also a need to formulate alternative milestone framework for riskier interventions, framed as pilot actions, proof-of-concept achievements, or demonstration results, focusing on learning, process, and feasibility rather than immediate outputs or cost-efficiency.

5. Synergies with the European Competitiveness Fund

There is a fundamental tension between the ECF, which supports competitiveness by exploiting scale economies and creates agglomeration effects, and the NRPPs, which aim to ensure a territorially balanced development and promote convergence. To reduce this tension, the preamble of the NRPP Proposal should acknowledge the potential negative territorial effects of large-scale industrial investments financed under the ECF and the EU Facility should be explicitly tasked to mitigate these effects. It is also important to reinforce the support for interregional innovative investments and Smart Specialisation Strategies, which would help align top-down driven competitiveness actions with bottom-up innovation ecosystems.

6. Role of the European Parliament

To ensure proper accountability, the Proposal should allow the EP to request the reports of annual review meetings, which will be organised once a year between the Commission and each Member State to examine the performance of the Plan or its chapters. In addition, the Commission should be asked to publish bi-annual implementation reports, providing detailed information on the pace of implementation and results achieved. The procedure to adopt delegated acts (Art 87) should be amended to give two months (instead of one month) to the Council and the Parliament to revise the content of the acts and object if necessary. The EP should also request more clarity on the criteria to allocate the EU Facility's resources to Union actions.

REFERENCES

- Berkowitz, P. R., Storper, M., & Herbertson, M. (2025). *Place-based policies of the European Union: Contrasts and similarities to the US experience* (NBER Working Paper No. 33513). National Bureau of Economic Research. https://www.nber.org/papers/w33513
- Böhme K, Mehlbye P, Martin D and Schön P (2025), How to make NRP Plans a success, blogpost, Spatial Foresight, August 2025
- De Lemos S, Loi G, Mehmedi M, Becker Duricic R, Schwarcz A, Ghiran-Merveille A, Munari L (2026), In-depth Analisis. Recovery and Resilience Dialogue with the European Commission, BUDG-ECON Committee meeting on 9 February 2026
- European Commission (2025a), A dynamic EU Budget for the priorities of the future - The Multiannual Financial Framework 2028-2034, COM(2025) 570 final/2, 16.7.2025
- European Commission (2025b), Proposal for an Interinstitutional Agreement between the European Parliament, the Council and the Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management, COM (2025) 572 final, 16.7.2025
- European Commission (2025c), Commission Staff Working Document, Impact assessment report accompanying the proposal establishing the European Fund for economic, social and territorial cohesion, agriculture and rural, maritime, prosperity and security for the period 2028-2034 and amending Regulation (EU) 2023/955 and Regulation (EU, Euratom) 2024/2509, SWD(2025) 565 final, 16.7.2025
- European Commission (2025d), Commission Staff Working Document Evaluation, Mid-term evaluation of the cohesion policy programmes 2021-2027 financed by the European Regional Development Fund (ERDF), the Cohesion Fund and the Just Transition Fund (JTF), SWD 2025 299 final, 10.10.2025
- European Commission (2025e), Commission Staff Working Document Evaluation, European Social Fund Plus mid-term evaluation, SWD 2025 391 final, 26.11.2025
- European Court of Auditors (2025) Performance-orientation, accountability and transparency – lessons to be learned from the weaknesses of the RRF, Review2/2025
- Di Caro, P., U. Fratesi and E. Fusco (2025). Trade flows, spatial effects and cohesion policy in the EU regions. Open Economies Review. https://doi.org/10.1007/s11079-025-09812-w
- Guttenberg, L., and T. Nguyen (2020). How to spend it right: A more democratic governance for the EU Recovery and Resilience Facility (Policy Brief). Jacques Delors Centre & Bertelsmann Stiftung.
- Hansum R, Lindner J, Redeker N and Rubio E (2025) Ripe for Reform – What's in the EU Budget Proposal and What Should Come Next, Jacques Delors Centre, August 2025
- Matthews, A. (2026) The rural 10% target cannot be monitored, blogpost, CAPreform.eu, 21 January 2026
- Mendez C., J. Bachtler and F. Wishlade (2025) *Cohesion Policy on the Rocks?*, EoRPA Report 25/3, European Policies Research Centre, University of Strathclyde and EPRC Delft.
- Mendez C and Kah S (forthcoming) What Future for EU Cohesion Policy? Reform ambitions and realities, IQ-Net Thematic Paper 59(2), European Policies Research Centre Delft.

- Rodríguez-Pose, A., L. Dijkstra, and H. Poelman (2024). *The geography of EU discontent and the regional development trap. Economic Geography, 100*(3), 213–245. https://doi.org/10.1080/00130095.2024.2337657
- Rubio E and Alcidi C (2025) Smart conditionality in practice: exploring legality, feasibility and implementation, study requested by the BUDG committee of the European Parliament, October 2025
- Petzold W (2025) The EU budget 2028–2034: Will EU Cohesion Policy become a case for history books? Forthcoming in Jahrbuch des Föderalismus 2025. Nomos, Baden-Baden; Bachtler J and Mendez C (2025) Cohesion Policy: the coming storm. In H. Wallace, M. A. Pollack, & A. R. Young (Eds.), Policy-Making in the European Union (9th ed.). Oxford University Press.
- Schreiber M. T. (2025) Opaque transparency, or how less developed regions might get less than everyone else: CPMR questions about the LDR minimum allocations. Technical Note, Conference of Peripheral Maritime Regions, September 2025
- Schreiber, M.-T., & NúñezFerrer, J. (2025). *The Commission giveth, and the Commission taketh away – the new allocation formula for the EU mega fund* (Technical Note). Conference of Peripheral Maritime Regions (CPMR).
- Segal L, Griepink M, Boschetti A, Marchioni M, Vilajosana X, Riera Duran M and Lupiáñez-Villanueva F (2025) Exploring synergies between Horizon Europe and the EU Cohesion Policy, study requested by the ITRE committee of the European Parliament, February 2025
- Wostner, P., and J. Bachtler (2025). Improving EU competitiveness within a reformed MFF and cohesion policy: Directionality, alignment and leverage (European Policy Research Paper No. 119). European Policies Research Centre, University of Strathclyde

ANNEX I. COMPARING THE 2021-2027 AND 2028-2034 LEGAL BASIS FOR COHESION POLICY

Box 2. Overall institutional and regulatory architecture

	2021-2027	2028-2034
Institutional architecture	**Four funds (ERDF, CF, ESF+ and JTF) are** dedicated to promoting the EU's economic, social and territorial cohesion in accordance with Article 174 TFEU. **Each fund has a dedicated budget and a specific objective.** The **ERDF** (58.5% of total funding) aims to reduce disparities between the levels of development of the various regions within the Union and the backwardness of the least favoured regions. It also promotes European territorial cooperation through the **Interreg** programmes and provides support to integrated territorial interventions in urban and rural areas. The **ESF+** (27% of total funding) supports Member States and regions to achieve high employment levels, fair social protection, a skilled and resilient workforce, as well as combat poverty and promote inclusive societies. The **CF** (9.4% of total funding) contribute to projects in the field of environment and trans-European networks in the area of transport infrastructure (TEN-T) in less prosperous Member States. The **JTF** (5.1%) supports territories most affected by the transition towards climate neutrality to address the social, employment, economic and environmental impacts of the transition.	A **new EU Fund** ("European Fund for economic, social and territorial cohesion, agriculture and rural, fisheries and maritime, prosperity and security") which covers all EU funds under shared management. The Fund aims to "promote the Union's economic, social and territorial cohesion", alongside the sustainable development and competitiveness of the Union, its security and its preparedness. There are three cohesion-related funds which remain in place (**ERDF, CF, ESF**+) but none of them has a dedicated budget. **Interreg** actions have a dedicated budget. The **JTF** disappears as a standalone fund and there is no dedicated budget for just transition actions.

Regulatory Framework	The **Common Provisions Regulation (CPR)** sets out common rules applicable to eight EU funds under shared management: the four cohesion-related funds (ERDF, CF, JTF, ESF+), the EU's fishery and maritime fund (EMFAF) and the three 'Home' funds (AMIF, ISF and BMVI). The two agriculture-related funds (EAGF, EAFRD) are regulated separately. In particular, the CPR establishes **common rules** that apply to all 8 funds as regards: - **Programming** (preparation and submission of programmes, amendment of programmes) - **Management and control** (minimum requirements for national management, audit, and monitoring authorities) - **Financial management rules** (general eligibility rules, rules for EU payments, conditions for interruption of payments) - **Evaluation and monitoring** (obligation to establish a performance framework based on output and result indicators and milestones and targets) - **Horizontal principles** (respect partnership and multi-level governance approach, and respect EU Charter of Fundamental Rights) The CPR also establishes **five general policy objectives** (PO) that apply to all cohesion-related funds (ERDF, CF, JTF, ESF+) as well as the EMFAF. These 5 funds must be **programmed together in the context of a 'national partnership agreement'** (art 10 CPR), together with the JTF (which supports a specific objective).	**Common rules on objectives, governance, programming, management and control, and financial management** are set out in the draft NRPP Regulation. The draft NRPP Regulation also details the **general and specific objectives** that shall guide the implementation of the Fund. There are two cohesion-related, fund-specific regulations: - The **ERDF/CF regulation** basically lays down specific conditions for the design of **support to specific territories** (disadvantaged areas, urban development, outermost regions) and territorial cooperation actions (Interreg). - The **ESF+ regulation** basically lays down specific provisions to design some social interventions (support to social innovation, actions to address material deprivation, integrated approach to demographic transitions) and some specific rules on partnership. There are **five other specific regulations** establishing specific provisions to structure the NRPPs support in different sectors (agriculture, fishery and maritime sector, asylum, migration and integration, border management and visa and internal security) and one regulation setting conditions for the measures and investments financed by resources from the **European Social Climate Fund**.

	There are three fund-specific regulations (the ERDF/CF regulation, the ESF+ and the JTF regulation). Each regulation establishes the scope of intervention and **specific objectives of each Fund**. The regulations also include specific provisions on eligibility rules, programming and thematic concentration (where applicable).	

Box 3. Financial allocation rules

	2021-2027	2028-2034
Financial allocation rules	Member States' CP allocations are determined by the so-called "Berlin formula". **ERDF and ESF+ amounts** for the 'investment for growth and job' goal (84.8% of the total envelope) are distributed to Member States according to **regional criteria at NUTS2 level**. The main criterion determining the allocations is regional relative prosperity (calculated as the gap between the regional GDP per capita and the EU average). However, Member States benefit from additional premiums relating to regional indicators on unemployment, educational attainment, greenhouse gas emissions and migration. These ´bonus´ determine roughly 20% of the total allocation. The bulk of the resources (61.3%) is allocated to **less developed regions** (regions with a GDP <75% EU GDP), 14.5% to **transition regions** (regions with a GDP between 75% and 100% of EU GDP) and 8.3% to **more developed regions** (regions with a GDP >100% EU GDP). **Cohesion Fund amounts** (12% of the total CP envelope) are distributed to less	Funding for NRPP plans comes from three different envelopes: The **'general' allocation** (90%) shall be used to finance all NRPPs' objectives. It is distributed to Member States on the basis of various indicators. These include: the Member State's share of the EU population; the share of the rural population at risk of poverty or social exclusion; the national prosperity gap (distance of national GDP per capita from the EU average); the "regional prosperity gap" calculated at NUTS-3 level (population living in regions below 75% of EU GDP per capita weighted by their distance from the threshold); and the so-called "agricultural prosperity gap", based on eligible hectares and CAP direct payments per hectare, adjusted according to the distance from 90% of the EU average level of payments/hectares. The **'Home Affairs' allocation** (4%) shall be used to finance NRPPs' interventions supporting EU's actions on internal security, migration and border management. It is distributed to Member States on the basis of population and national GNI as well as factors related to migration and border management (such

	developed Member States (those with GNI pc <90 % of the EU average) on the basis of national prosperity gaps. They shall be used to finance environment and TEN-T projects. **ERDF amounts for the 'territorial cooperation' goal** (2.4%) are allocated to finance **Interreg programmes**. These amounts are distributed to Member States according to NUTS 2-level criteria specific to each cooperation strand (for example, only border regions are eligible under the cross-border cooperation strand, with allocations based on the share of the population living in eligible areas). **JTF amounts** (2.3% of the total envelope) are distributed to Member States on the basis of specific 'JTF' criteria (e.g. GHG emissions in certain carbon-intensive activities, employment in coal and lignite mining). While the budget is allocated to Member States, the spending shall support JTF plans for **NUTS level 3 regions** (or parts thereof) identified as "most negatively affected" by the transition to a climate-neutral economy. National allocations are subject to **cap and safety nets** to avoid excessive deviations with respect to the previous 2014-2020 allocations.	as the length of sea and external land borders, the number of asylum applicants, beneficiaries of temporary protection, third-country nationals returned or visas applied in previous years). The **'Social Climate Fund' (SCF) allocation** (6%) shall be used to finance interventions to support the decarbonisation of buildings and transport as defined in the SCF regulation. The amounts come from the EU Emission Trading System 2 (ETS2) and are distributed to Member States on the basis of population, national GDP and some energy-related indicators (CO_2 emissions from specific household and transport categories, share of population at risk of energy poverty). National allocations are subject to **cap and safety** nets to avoid excessive deviations with respect to previous 2021-2027 allocations. Each Member States´ allocation share in the ´general allocation´ cannot be lower than 80% or higher than 105% of its share in the 2021–2027 total of all relevant pre-allocated funds under shared management. Member States will receive separate envelopes to finance their national **Interreg plans**. There will be one Interreg plan per Member State.

Box 4. Objectives, earmarking and co-financing rules

	2021-2027	2028-2034
Objectives	**Policy objectives** ERDF, CF and ESF+ support **five policy objectives (POs)** across the Union. (PO1) a **smarter Europe** through innovation and digital transformation,	**General objectives** The Fund supports five general objectives (Art 2.1 NRPP Proposal):

	(PO2) a **greener, low-carbon Europe**, (PO3) a **more connected Europe** with enhanced transport networks, (PO4) a **more social Europe** implementing the European Pillar of Social Rights, and (PO5) **A Europe closer to citizens** by fostering sustainable development in urban and non-urban, including rural and coastal, areas. **<u>Specific objectives</u>** These 5 POs are broken down into **23 ERDF/CF specific objectives**. ERDF can be used to support all 23 SOs but countries shall respect some thematic concentration rules (see below). The CF can only be used to finance specific interventions that aim to support PO2 and PO3. The ESF+ supports PO4 through **13 ESF plus-specific objectives** but countries should comply with some thematic concentration rules (see below). JFT supports a **specific JTF objective** ("to enable regions and people to address the social, employment, economic and environmental impacts of the transition towards the EU's 2030 targets for energy and climate and a climate-neutral EU economy by 2050"). Interreg actions support **two Interreg-specific objectives** (a better cooperation governance" and "a safer and more secure Europe").	a) Reduce regional imbalances in the Union and promote territorial cooperation (Art 2.1.a) b) Support quality employment, education and skills and social inclusion and contribute to a socially fair transition towards climate neutrality (Art 2.1.b) c) Support the implementation of the CAP (Art 2.1.c) d) Support implementation of the common fisheries policy of the Union (Art 2.1.d) e) Protect and strengthen democracy in the Union and uphold Union values (Art 2.1.e) **<u>Specific objectives</u>** The 5 general objectives shall be pursued through **28 specific objectives** grouped in **five areas**: 1) Support the Union's **sustainable prosperity** across all regions (Art 3.1.a) 2) Support the Union's **defence capabilities and security** across all regions (Art 3.1.b) 3) Strengthen **social cohesion** by supporting people and strengthening the Union's societies and the Union's social model (Art 3.1.c) 4) Sustain the **quality of life** in the Union (Art 3.1.d) 5) Protect and strengthen fundamental rights, **democracy, equality, the rule of law and uphold Union values** (Art 3.1.e) Member States **should support all 28 specific objectives** through their NRPPs. Objectives can be supported through investments, reforms or other authorised interventions (e.g. direct income support to farmers). There are no rigid thematic

		concentration rules, but Member States should comply with some minimum earmarking thematic and geographic rules, and they have the obligation to allocate resource to some specific measures (see below).
Thematic concentration and earmarking rules	**<u>ERDF thematic concentration rules</u>** Member States shall **allocate a minimum % of ERDF resources on PO1 (smart Europe) and PO2 (green Europe) objectives**. The obligation can be respected at the national or regional level. The level of % varies depending on the level of economic development: <u>More developed regions or Member States</u>: at least 85% of their allocation to PO1 and PO2 and at least 30% of their allocation to PO2 <u>Transition regions or Member States</u>: at least 40% to PO1 and 30% to PO2 <u>Less developed regions or Member States</u>: at least 25% to PO1 and 30% to PO2. **<u>ESF+ thematic concentration rules</u>** Member States shall allocate at least 25% of their ESF+ funds to social inclusion measures and 3% to support to the most deprived persons. Member States with above-average child poverty rates shall allocate at least 5% to tackle child poverty and those with above-average NEET (not in employment, education, or training) rates must dedicate at least 12.5% to youth support. **<u>8% minimum earmarking for sustainable urban development</u>** There is also an obligation to allocate a **minimum of 8% of ERDF to** support sustainable urban development strategies.	**<u>Minimum ringfenced amounts for ´Home Affairs ‘interventions and SCF interventions</u>** All NRPPs will include ringfenced amounts for ‘home affairs’ interventions and interventions under the SCF. **<u>Minimum ringfenced amount for farmers’ income support</u>** A minimum amount of the ´general allocation´ is ringfenced to finance CAP income support interventions for farmers. 2bn EUR will be also ringfenced to support fishermen. The CAP ringfenced amount shall cover income support interventions currently financed by the EAGF (CAP pillar 1) but also many interventions currently financed by the EAFRD (CAP pillar 2). Member States have a large discretion to decide how to allocate the non-earmarked budget, insofar they respect some thematic and geographic earmarking rules (see below). They can use the money to finance all other specific objectives but can also use part of the remaining envelope to provide additional support to farmers, ‘home affairs’ or SCF interventions. **<u>Social and climate earmarking</u>** 14% of the NRPP budget shall be dedicated to support **social objectives** and 43% shall be dedicated to meet **climate and environmental** objectives. The % is calculated by using coefficients attached to different types of

	<u>30% climate earmarking:</u> 30% of ERDF resources and 37% of CF resources shall be dedicated to support climate objectives. The % is calculated by using coefficients attached to different types of interventions.	interventions (defined in the performance regulation). The 14% social earmarking shall be calculated by excluding the amount for CAP income support interventions as well as the Social Climate Fund's resources. The Commission can request Member States to contribute a higher or lower % of the Plan to climate and environmental objectives.
Geographic earmarking rules	**<u>Different allocations per categories of regions</u>** Member States receive **different ERDF and ESF+ allocations for less developed regions (LDR), transition regions (TR), and more developed regions (MDR)**. As a matter of principle, resources are not transferable between categories of regions. However, the CPR allows the Member States to transfer up to 5% of their initial allocation for less developed regions to transition or more developed regions. Poorer countries can transfer up to 15% from poorer to richer regions. **<u>0.6% of the ERDF funds for the outermost regions and the northern sparsely populated regions</u>** 0.6% of the ERDF funds are reserved for the outermost regions and northern sparsely populated regions to offset their permanent social and economic handicaps.	**<u>Minimum ringfenced amounts for LDRs</u>** Member States with **Less Developed Regions (LDRs)** are required to allocate a **minimum ring-fenced amount** to those regions. This amount, expressed in current prices, is specified for each concerned Member State in Annex II of the NRPP Proposal and it is calculated on the basis of share of national population living in LDRs. The ring-fenced support for LDRs excludes CAP earmarked amounts but may include non-earmarked CAP interventions. **<u>Safety nets for transition and more developed regions (introduced by the letter sent by President Von der Leyen to President Metsola on 9 November 2025)</u>** Transition and more developed regions shall receive an allocation equivalent to at least 75% of their current 2021-2027 allocation. However, the Member State can overrule this if it provides a justification based on objective criteria, such as changes in population or reduction in territorial disparities (Art 22.2.f) **<u>No dedicated amounts for disadvantaged regions</u>** Member States concerned shall include in their Plans measures in support of the outermost regions (art 46 draft NRPP

		Regulation) and all Members shall address the specific needs of certain types of disadvantaged areas (islands, Eastern border regions, northern sparsely populated regions and areas affected by industrial transformation) but there are no dedicated amounts for these areas. Member States shall report to the Commission the amounts allocated to these areas. **<u>10% rural target (introduced by the letter sent by President Von der Leyen to President Metsola on 9 November 2025)</u>** All Member States shall allocate a minimum of **10% of the NRPPs budget to rural areas**. This target shall be calculated by using the territory dimension codes to be assigned to the interventions financed (defined in Annex I of the EU budget performance regulation). As for the amounts dedicated to LDRs, the 10% rural target can be fulfilled with investments earmarked to 'home affairs' interventions but does not include farmers' income support interventions. **<u>NRPP territorial distribution of funds to be validated by the Commission</u>** In the NRPP, Member States shall report to the Commission the amounts allocated to different categories of regions (more developed, transition, less developed) and specific territories (islands and outermost regions, Eastern border regions, northern sparsely populated regions, areas affected by industrial transition and urban and rural areas). The territorial distribution shall be done pursuant Annex VIII of the draft NRPP Regulation and be reported in a table attached to the plans (Annex V).

Co-financing rules	**General co-financing rates based on regional categories** ERDF and ESF+: **co-financing rates depend on the category of regions** in which the intervention takes place: up to **85%** of EU support for projects in less developed regions, up to **40%** for projects in transition regions and up to **60%** for projects in more developed regions. CF interventions and interventions in outermost regions are subject to 85% cofinancing rates. CF: 85% co-financing rate **Specific thematic co-financing rates** The 2025 mid-term review has introduced **higher co-financing rates to support specific EU priorities:** **100% EU financing rate** for interventions in support of STEP sectors (strategic technology industrial sectors) **Co-financing rates increased by 10 percentage points** for interventions in support of security and defence, housing, energy interconnectors, civil preparedness, water management or interventions in Eastern border regions (regions bordering Russia, Belarus, or Ukraine).	**General co-financing rates based on regional categories** The NRPPs Regulation **maintains the same EU co-financing rates differentiated by type of region** (up to **85**% of EU support for projects in less developed regions, up to **40%** for projects in transition regions and up for **60%** for projects in more developed regions). For national measures, the co-financing rate is calculated on the basis of the population weighted average of the co-financing rate applicable to its regions. **Specific thematic co-financing rates** All interventions financed under the minimum, earmarked amounts to support **farmers' income support** are subject to specific EU co-financing rates: **100% EU cofinancing rate for CAP 'classic' income support interventions** (degressive area-based income support, coupled income support, crop-specific payments for cotton and support for small farmers). These interventions cannot receive additional national financing. **70% EU co-financing rate for other CAP income support interventions** (investment aids, support for establishing young farmers, agri-environment-climate actions.)

Box 5. Governance

	2021-2027	2028-2034
Principle of partnership	All Member States shall set up partnerships to prepare and implement the Partnership Agreement and all the programmes. The partnerships should be **in accordance with the country's**	All Member States shall set up partnerships to prepare the NRPP and all the chapters. They should be **in accordance with the country's institutional and legal framework and taking into account the specificities of the chapters concerned.**

	institutional and legal framework and taking into account the specificities of the Funds. Partnerships should work in accordance with the **multi-level governance principle and a bottom-up approach** and respecting the **European Code of Conduct on Partnership.**	Partnerships should work in accordance with the **multi-level governance principle and a bottom-up approach** and respecting the European Code of Conduct on Partnership. **<u>Safeguards to guarantee the involvement of regional authorities (introduced by the letter sent by President Von der Leyen to President Metsola on 9 November 2025)</u>** Member States shall ensure that all public authorities concerned by the relevant chapters of the Plan are appropriately represented in accordance with the corresponding territorial level (Art 6.4). To ensure respect with this obligation all NRPPs will be subjected to **a 'regional check'**: Member States will have to report to the Commission on how regional, local, urban, rural and other public authorities or associations representing such authorities have been involved in the design of the NRP Plan. More specifically: a) how these were selected; b) how their representativeness has been ensured; c) how their input is reflected in the NRP Plan in line with the code of conduct on partnership; and d) including a summary of the consultation process conducted for the preparation of the Plan and each chapter.
Public authorities in charge of implementing the EU funds	**<u>Number and type of programmes</u>** Under the current CP, Member States have discretion to decide the number of programmes to plan and implement the interventions and whether they are national or regional. **<u>Managing and accounting authorities</u>** Each programme shall have a **managing authority** responsible for selecting projects and implementing	**<u>Number and type of chapters</u>** NRPPs shall be structured in chapters. Member States have discretion to decide the number and type of chapters. All Plans shall include national and sectoral chapters "and, where relevant, regional and territorial chapters" (Art 21.1 draft NRPP Regulation). **<u>Managing authorities and coordination authority</u>** Each chapter shall have a **managing authority** in charge of selecting projects

	the EU funds, an **audit authority** to oversee the use of funds and an **accounting authority** in charge of drawing up and submitting payment applications to the Commission. The accounting function can be entrusted to the managing authority or to another body (art 72.2 CPR).	and implementing the funds and an **audit** authority. The plan shall have a **coordinating authority** responsible of monitoring the overall implementation of the Plan, ensuring coherence in the implementation of the various chapters and submitting payment applications to the Commission (Art 50). A managing authority may be entrusted with carrying out the tasks of the coordinating function. Arrangements between the managing authorities and the coordination authority shall be recorded in writing. **<u>Safeguards to guarantee the involvement of regional authorities</u>** **All managing authorities shall have the possibility to interact directly with the Commission**. Annual review meetings shall be organised once a year between the Commission and each Member State to examine the performance of the Plan or its chapters. The relevant regional authorities and the authority in charge of the coordination function shall participate in the review meetings.
Composition of the monitoring committees	Under the 2021-2027 CPR, Member States must set up one or multiple monitoring committees to oversee the implementation of the programmes. Each Member State shall determine the composition of the monitoring committee and shall ensure a balanced representation of the relevant Member State authorities and intermediate bodies and of representatives of the civil society (art 38 CPR).	Member States must set up one or more monitoring committees to oversee the implementation of the NRPPs chapters. Each Member State shall determine in a public procedure and based on objective and transparent criteria, the composition and the size of the monitoring committee, ensuring a balanced representation of the relevant Member State authorities and civil society organisations. The latter should be equal or superior in number to members belonging to authorities or intermediate bodies (Art 55 draft NRPP).

Box 6. Programming and implementation

	2021-2027	2028-2034
Content of the programmes/ Plan	Programmes are structured in **priorities** (corresponding to the POs set out in the CPR) and **specific objectives**. For each specific objective, the programme indicates the related **actions and types of interventions** that are envisaged and provides an indicative breakdown of the programmed resources by type of intervention.	National Plans are structured in chapters. These can be sectoral or territorial, national or regional. Each chapter contains a list of **measures** (which **can** consist of reforms, investments or other types of interventions) associated with a given NRPPs **specific objective**. For each measure, the Plan shall detail the list of intermediary and final **milestones** (qualitative achievements) and **targets** (quantitative achievements) to measure progress towards achievement and their **indicative completion date**. The Plans should assign an **ex-ante payout value** to each milestone and target. This payout value will be used to calculate the number of payments (see below).
EU payments	EU payments predominantly[23] follow a **cost-based approach**: the Commission reimburses the Member States authorities on the basis of costs incurred. Payments are linked to programmes and funds. For each programme and fund, the Member State can submit up to **6 payment** applications per year.	Payments follow a **performance-based** model. Member States shall submit payment requests based on the achievement of intermediary **milestones (qualitative objectives) and targets (quantitative objectives**) and their associated pre-set "pay-out values" based on ex-ante costing. Member States may submit a maximum of six payment applications per year.
De-commitment rules	Under the current CP every programme includes a financing plan which specifies the **budgetary commitments per year and fund**. **Annual budgetary commitments** differ from one programme to another, but	All NRPPs will have the **same % of budgetary commitments per year** (the amount of funds Member States commit to plan within the year) (stipulated in Article 14.1 of the regulation). The amounts will be higher at the start of the implementation and **will decrease over**

[23] A tiny amount of ERDF and CF EU payments are done by using Simplified Cost Options (SCOs) (EUR 7.5bn) or on the basis of Financing Not Linked to Costs (FNLC) measures (1.4bn) (European Commission 2025d, p.39). The use of upper level SCOs is more prevalent under the ESF+: the amount of ESF+ payments done through SCOs is 24.9% in the current programming period (European Commission 2025e, p.52).

	normally, they **increase over time** (reflecting the fact that managing authorities need time to start implementing operations and spending money before submitting payments). Any amount committed which has not been used for pre-financing, or for which a payment application has not been submitted within 3 years following the year of the commitment (or 2 years in the case of commitments for 2027) is de-committed (N+2/N+3 rule). Member States receive a **pre-financing amount** corresponding to 3% paid in yearly instalments of 0.5% of the total support from the Funds for the years 2021 through 2026.	**time** (from 15.8% in 2028 to 11.7% in 2034). The Commission will decommit any amount in an NRP Plan which has not been used for pre-financing or for which a payment request has not been submitted by 31 October of the following year (N+1 rule). Member States receive a **pre-financing amount** that is significantly higher (10% of the total Union financial allocation). It is paid in three tranches: 4% in 2028, 3% in 2029, and 3% in 2030.

Box 7. Performance indicators, milestones and targets, transparency

	2021-2027	2028-2034
Performance indicators	Each specific objective included in a CP plan shall be associated with one or various **output** and **result (outcome) indicators**. Fund-specific regulations (ERDF/CF, ESF+, JTF) set **common output and result indicators**. Member States shall use them whenever appropriate but if an important action cannot be well captured by common indicators they can use additional **programme-specific indicators**.	Annex I of the Performance Regulation establishes a **single, standardised list of intervention fields**, each linked to a set of **common output and result indicators**. For each measure included in the Plan, Member States must assign one intervention field from Annex I and select **one common output indicator** together with **one or more common result indicators.** Only in duly justified cases, and subject to the Commission's agreement, may Member States use indicators other than the common ones.
Milestones and targets	Member States shall associate **milestones** (intermediate results) and **targets** (final results) to each intervention. These are used for **monitoring purposes**.	Milestones and targets are output-based linked to payments. Final milestones and targets should be defined by using **one common output indicator selected from Annex I of the**

	Fulfilment of milestones associated to outputs is used to inform the decision on the **allocation of the flexibility amounts** during the mid-term review.	**Performance Framework proposal**. Only in duly justified cases and with the agreement of the Commission can Member States use other types of indicators to define their final targets and milestones. While the milestones and targets linked to pay-out values are output-based, result indicators are still required for every measure. They shall be selected from the list of common result indicators of Annex I Performance Regulation unless duly justified.
Transparency	Managing authorities shall publish the **list of calls and financed operations on national websites**. The website should be in the Member States' national language as well as in either English, French or German. While the CPR prescribes in detail the set of data to be provided, it does not mandate the exact format in which each of the data points is to be presented.	Member State shall publish the **list of calls and financed operations on national websites**. The website should be in the Member States' national language as well as in either English, French or German. **Data shall be published in a digital-ready, open, interoperable, and machine-readable format** to allow for sorting and reuse. The system should also allow for an automatic electronic data exchange with the **Single Gateway** (a centralised Union funding portal maintained by the Commission with all data on financial implementation, performance and recipients of EU funds).

Box 8. Reforms and rule of law conditionality

	2021-2027	2028-2034
Reforms	The implementation of CP programmes to ex-ante policy conditionality. Member States are required to fulfil a set of ex-ante thematic "enabling conditions" in order to implement EU funds in specific sectors. These conditions are intended to ensure that the key policy and regulatory prerequisites are in place for the effective and efficient use of EU funds. They mostly consist of the adoption of specific	The implementation of the NRPPs is not subject to ex-ante policy conditionalities. However, under the Plans, Member States may receive payments linked to the adoption of pre-agreed reforms. Member States have discretion to propose the reforms to be included in their Plan, but the selection must be validated by the Commission and ultimately approved by the Council, which formally adopts the Plans. NRPPs must address the challenges

	policy arrangements, such as strategic plans, policy frameworks or management systems. Compliance must be ensured both at the outset and throughout the entire programming period. Where these conditions are not met, the European Commission may suspend payments for operations in the sectors concerned.	identified in the country-specific recommendations as well as in other relevant documents officially adopted or assessed by the Commission in relation to the objectives set out in Article 3 (Art. 22(2)). All Plans must include reforms contributing to the Savings and Investment Union and to the development of market-based financing options (Art. 3(1)(a)).
Rule of Law conditionality	CP programmes are subject to a horizontal enabling condition requiring compliance with the EU Charter of Fundamental Rights when implementing EU funds (the "Charter" enabling condition). Compliance must be ensured both at the outset and throughout the programming period. Where this condition is not met, the European Commission may suspend all EU payments.	NRPPs are subject to two horizontal conditionalities linking EU payments to the respect of the EU Charter of Fundamental Rights (Article 8) and rule of law principles (Article 9). Member States should ensure respect for these two horizontal conditions throughout the lifecycle of their NRPP. If the conditions are not respected, EU payments can be suspended, through a unilateral decision of the Commission (the 'Charter' condition) or a Council decision (the Rule of Law condition). If the Member State does not remedy the situation in one year, the amounts suspended are definitively lost for the Member State concerned and may be reallocated to other EU programmes.

Box 9. Flexibility, EU Facility and synergies with other EU programmes

	2021-2027	2028-2034
Flexibility in response to crises	Compulsory reserve in the programmes corresponding to 50% of each programmes´ contribution for the last two years (2026 and 2027). This 'flexibility amount' is allocated according to performance achievements and emerging needs following the 2025 mid-term review.	Compulsory reserve in the Plans corresponding to 25% of the NRPP budget – except the SCF envelope (Art 14.2). This flexibility reserve shall be organised as follows: - 5% may be used to react to crises before the mid-term review. If unused, it will be re-allocated during the mid-term review of 2031

	In addition, possibility for Member States affected by natural disasters occurring between 1 January 2024 and 31 December 2025 to re-allocate up to 10% of their cohesion envelope to provide immediate response and finance post-disaster reconstruction actions.	- 15% will be re-allocated following the mid-term review of 2031. However, "a part may be requested before the mid-term review in duly justified and exceptional circumstances" (Art 14.2.b) - 5% shall be kept reacting to crisis after the mid-term review In case of crises, Member States may request to amend the Plans. If the request for amendment surpasses 1% of the NRPP budget, they will be able to mobilise the "reserve facility" for an amount equivalent to up to 2.5% of the NRPP budget (Art 49). **<u>Support to farmers</u> (letter by Von der Leyen of 6 January 2026)** Member States, when submitting their plans, may ask to have immediate access to up to two thirds of the 15% amount of the flexibility reserve earmarked for the mid-term review to support all sort of CAP interventions.
Complementarities with other EU programmes	**<u>Planning</u>** According to art 5.3. of the CPR Member States and the Commission **shall promote the coordination, complementarity and coherence between the Funds** and other Union instruments and funds. To this end, they shall optimise mechanisms for coordination between those responsible to avoid duplication during planning and implementation. In addition, in their National Partnership Agreements, Member States should indicate possible complementarities and synergies between the use of CP funds and other Union instruments, in particular LIFE strategic integrated	**<u>Planning</u>** Article 7.5. of the NRPP Proposal also calls on the Commission and the Member States to **promote coordination, consistency and synergies between the Fund and other Union programmes and instruments**. In addition to that, **coordination should be reinforced through the new 'political steering mechanism'** which should guide EU expenditure decisions on an annual basis. According to the letter sent by President Von der Leyen to President Metsola on 9 November 2025, the annual steering mechanism will be relevant for the preparation of the NRPPs (in 2027) and decisions on how to re-allocate NRPP resources during the mid-term review (in 2031).

	projects and strategic nature projects and projects funded under Horizon Europe (art 11.1.iii). However, Member States are not obliged to finance cross-border or multi-country projects with their CP programmes. **<u>Implementation</u>** There are various mechanisms to promote synergies at project level between CP and other EU funds. The most relevant ones are: ***a) Cumulative funding*** It is possible to pool CP funds with funds from other EU programmes to finance the same project. In this case, CP payments cannot cover expenditures declared for support under another EU programme (art 63 CPR). ***b) 'Seal of Excellence', 'STEP* seal', *IPCEIs*** Member States are encouraged to finance projects that have been positively evaluated under Horizon Europe (HE) but have not obtained HE funds (awarded by a 'seal of excellence'), projects that have been positively evaluated but not funded under STEP calls launched by other EU programmes (awarded by a 'STEP seal') or IPCEI-related projects. They can apply simplified selection procedures to finance these projects with CP funds (art 73.2.4 CPR). ***c) Transfers to EU instruments under direct or indirect management*** Member States may transfer up to 5% of their CP allocation to an EU instrument under direct or indirect	In addition, in their NRPPs, Member States will have to indicate how the Plans contribute to the completion of the single market (art 22.2.b). In particular, they are required to support measures with a cross-border, transnational or multi-country dimension (IPCEIs, support to TEN-T and TEN-E, operations that have been awarded a Competitiveness Seal.) **<u>Implementation</u>** There are various mechanisms to promote synergies at project level between NRPPs and other EU funds: ***a) Cumulative funding*** Operations supported by NRPP plans may receive support from other Union programmes and instruments provided that such support and milestones and targets resulting in payments do not cover the same costs. Member States and the Commission shall cooperate in designing and implementing operations which are cumulatively financed under the Plan and another Union programme in view of avoiding double funding (Art 5 NRPP Proposal). ***b) 'Competitiveness Seal'*** Projects that were positively evaluated under the ECF but did not receive funding may be financed by NRPPs. Projects identified as strategic under the Net Zero Industry Act (NZIA) or the Critical Raw Materials Act (CRMA) are directly given this quality label. Member States are requested to support IPCEI projects and operations having been awarded a Competitiveness Seal (Art 22.2.b).

	management or to the provision of the InvestEU guarantee, through the so-called 'Member State compartment'. In this case, the funds will be implemented in accordance with the rules of the Fund or the instrument to which the resources are transferred and for the benefit of the Member State concerned.	***c) Transfers to EU instruments under direct or indirect management*** Member States may allocate part of their NRPP Plan to measures implemented through EU instruments under direct or indirect management or to InvestEU (either by providing a guarantee, financing a financial instrument or supporting a blending operation). There is no limit as to how much the Member State can transfer to EU instrument under direct or indirect management.

ANNEX II. COMPARING THE 28 FUND'S SPECIFIC OBJECTIVES WITH THOSE OF THE 2021-2027 COHESION POLICY FUNDS

Box 10. Comparing NRPP´s specific objectives with those of the 2021-2027 ERDF/Cohesion Fund and ESF+

NRPP specific objectives (art 3) and	Comparison with 2021-2027 ERDF/CF/ESF+/JTF objectives
Attractiveness of territories, ´right to stay´ and urban and rural development (art 3.1.a.i) *Fostering the attractiveness of territories to support the right to stay, including by supporting strategies for the integrated development of urban and rural areas, including support for territorial services and infrastructure*	While the 'right to stay' is not mentioned in the list of ERDF/CF specific objectives, fostering the attractiveness of disadvantaged regions is one of the ERDF´s core objectives. To this purpose, the majority of ERDF funds are allocated to less developed regions and transition regions. Regions with natural handicaps (outermost regions and northern sparsely populated regions) also receive specific additional funding. Apart from supporting regional development, the ERDF can foster the development of sub-regional territories, particularly by supporting integrated and inclusive development strategies for urban areas (Art 3.1.e.i) and 'areas other than urban' (Art.3.1.e.ii). There is an obligation to allocate at least 8% of the ERDF resources to urban development.
Support EU's industrial policy (art 3.1.a. ii) *Strengthening the Union's industrial base, resilient supply chains and boosting sustainable & competitive manufacturing, specially in the areas of net-zero & critical raw material technologies, with special attention to competitiveness of SME and by fully integrating environmental and climate ambitions to accelerate clean industrial transition*	The current Cohesion Policy funds are not designed to support EU-led, sector-based industrial policies. Through the various PO1 and PO2 specific objectives, the ERDF aims to strengthen research and innovation capacities and enhancing the competitiveness of SMEs in a given territory. This has to be done in accordance with a bottom-up Smart Specialisation Strategy (meaning that investment priorities are defined by national or regional authorities on the basis of territorially identified strengths and development needs and not necessarily linked to predefined Union-level sectoral priorities). Furthermore, the ERDF mostly supports productive investments in SMEs. The granting of direct support to large enterprises is subject to strict limitations. Recently, both the 2024 STEP Regulation and the 2025 mid-term review of Cohesion Policy have

	introduced new legal bases allowing the use of Cohesion Policy funds more explicitly in support of EU industrial priorities. Member States may now use ERDF and JTF resources to support investments in a list of pre-defined EU´s strategic industrial sectors (so-called STEP sectors: digital and deep tech, clean tech, biotech) and to enhance industrial defence capacities and are incentivised to re-programme ERDF funds in favour of these objectives (with higher pre-financing and co-financing rates). However, support is still limited by some rules. In particular, Member States can only support productive investments in large enterprises for STEP objectives or the defence industry if these investments are located in less developed or transition regions or in more developed regions of Member States with a GDP per capita below the EU-27 average.
Just transition, energy generation and infrastructure and decarbonisation (art 3.1.a.iii) *Supporting a just transition towards the Union's 2030, 2040 and 2050 targets for energy and climate, in particular by prioritising support for clean energy generation and infrastructure, promoting energy efficiency and decarbonisation, storage and technology, developing smart energy systems and domestic transmission and distribution grids also taking into account the Trans-European Network (TEN-E) and technology and promoting a circular economy, ensuring that all territories and everyone can contribute and benefit from the clean transition*	The ERDF and the CF can finance energy generation, energy infrastructures, support to decarbonisation and support to circular economy under the current PO2 and the ESF+ can support skills necessary for the adaptation to transitions. The JTF can finance just transition activities in territories identified in approved territorial just transition plans.
Digital investments (art 3.1.a.iv) *Supporting the digital transformation towards the Digital Decade targets set out in the Digital Decade Policy Programme thereby contributing to the achievement of a digitally sovereign, secure and inclusive Union and promoting the development and use of advanced technologies, including AI secure and trusted digital infrastructure and*	The ERDF can already be used to support digital infrastructures and technologies and the development of digital public services and the ESF+ supports digital skills.

services, basic and advanced digital skills, digital public services and ICT connectivity, while addressing digital divide	
R&D and Innovation (art 3.1.a. v) *Supporting research, development and innovation, including the diffusion of innovation across all regions*	The ERDF can already be used to support R&D&I at the national or regional level. The ERDF also finances a specialised instrument called "Interregional Innovation Investments (I3) Instrument" which supports interregional innovation projects that have the potential to develop European value chains. This initiative covers all the EU territory and is directly implemented by the European Commission.
Development of marked-based funding options and Savings and Investment Union (art 3.1.a. vi) *Supporting measures, including reforms to further the Saving and Investments Union and foster the development of market-based funding options*	None of the four Cohesion Policy funds (ERDF, CF, ESF+, JTF) can be used to support reforms. While Cohesion Policy funds can be delivered through market-based funding options (financial instruments and InvestEU guarantee), none of the funds have an explicit objective to expand the use of these instruments.
Housing (art 3.1.a. vii) *Supporting social and affordable housing*	Before the 2025 mid-term review the ERDF could already finance investments in housing under the specific objective 3.1.b.i, "promoting energy efficiency and reducing GHG emissions". The 2025 mid-term review has introduced two additional objectives providing a clearer basis to use the ERDF in support of comprehensive housing policies: "promoting access to affordable and sustainable housing" and "fostering integrated territorial development, through access to affordable and sustainable housing in all types of territories". The ESF+ can finance actions to "enhance equal and timely access to quality, sustainable and affordable services, including services that promote the access to housing (...)" (Art 4.1.k).
Transport infrastructure (art 3.1.a. viii) *Enhancing Union transport infrastructure and contributing to the completion of the trans-European network for transport, in particular on the core and extended core*	The ERDF and the CF already provide support to TEN-T infrastructures. The ERDF can also finance sustainable, climate resilient, intelligent and intermodal national, regional and local mobility,

network, while decarbonising and improving connectivity, security and accessibility for remote, peripheral and less connected areas; support the green and digital transition of transport	including improved access to TEN-T and cross-border mobility (Art 3.1.c. ii).
Tourism (art 3.1.a. xix) *Support for tourism, including sustainability*	The ERDF can already provide support to "enhancing the role of culture and sustainable tourism in economic development, social inclusion, social innovation" (Art 3.1.d. iv) or support sustainable tourism in urban and rural areas (Art 3.1.c)
Water management, climate adaptation, preservation of nature and sustainable mobility (art 3.1.a. x) *Supporting efficient water management, quality and resilience, environmental protection, climate adaptation, climate resilience and enhancing biodiversity, soil quality and natural resources, promoting circularity, bioeconomy and wider resource efficiency, strengthening pollution prevention, control and remediation, preserving and restoring nature and enhancing biodiversity and natural resources, as well as promoting the New European Bauhaus solutions in the built environment*	Before the 2025 mid-term review the ERDF could already finance investments to promote climate change adaptation and resilience, energy efficiency and circularity, the preservation of nature and biodiversity and the reduction of pollution (through various specific objectives under Art 3.1.b). Following the adoption of the 'European Water Resilience Strategy', the 2025 mid-term review added a specific objective on water: "promoting secure access to water, sustainable water management, including integrated water management, and water resilience" (Art 3.1.b.v).
Reinforce Union´s defence industry and military mobility (art 3.1.b.i) Reinforce *the Union's defence industrial base and military mobility in particular by developing dual-use TEN-T infrastructure*	Before the 2025 mid-term review, there was no explicit objective for using the ERDF to support the defence industry or to finance military infrastructure; however, nor was there an explicit exclusion clause preventing these investments if justified under other objectives. The 2025 mid-term review added two specific objectives to support the development of defence industrial capacities (Art 3.1.a (vii) and resilient defence infrastructure, including to foster military mobility" (Art 3.1.c.iii). In both cases, Member States shall prioritise investments of a dual-use nature. In the case of support to the defence industry, the ERDF can only provide direct support to big firms if they are located in less developed or transition regions or in more

	developed regions of Member States with a GDP per capita below the EU-27 average.
Strengthen Union's preparedness to crises (art 3.1.b.ii) *Strengthening the Union's preparedness to crises and disasters by mainstreaming the principle of 'preparedness by design'*	Before the 2025 mid-term review, the ERDF did not have as explicit objective "to strengthen civil preparedness". Since the 2025 mid-term review, the ERDF can provide support to "strengthen civil preparedness in all territories", and ESF+ can provide support to skills in civil preparedness.
Strengthen Union´s security (art 3.1.b.iii) *Strengthening the Union's security by improving threat detection, prevention and response threat detection capabilities, including by strengthening energy and transport critical infrastructure and cybersecurity*	None of the four Cohesion Policy funds (ERDF, CF, ESF+, JTF) cover investments in security. The only exception is the possibility introduced by the 2025 mid-term review to use ESF+ funds to support the development of skills in cybersecurity.
Employment and labour market policies (art 3.1.c.i) *Supporting employment, equal access to the labour market, fair and quality working conditions and labour mobility*	The ESF+ already covers these objectives but they are defined in much more detail, mentioning specific priority categories (e.g. long-term unemployed and disadvantaged groups on the labour market) or goals (gender-balanced labour market participation). The JTF can also finance employment-related actions.
Equal opportunities and social inclusion (art 3.1.c.ii) *Promoting equal opportunities for all, supporting strong social safety nets, fostering social inclusion and fighting poverty and homelessness, and supporting investment in social infrastructure*	The ESF+ already covers these objectives but they are defined in much more detail, mentioning specific priority categories (e.g. socio-economic integration of third-country nationals, marginalised communities such as Roma people). The ERDF can finance social infrastructure.
Education and skills (art 3.1.c.iii) *Enhancing labour supply and improving education and lifelong acquisition of skills, in particular by promoting upskilling and reskilling*	The ESF+ already covers these objectives but they are defined in much more detail, mentioning specific goals (such as promoting equal access to education and training for disadvantaged groups). The ERDF can finance educational infrastructures and JTF can finance skills.
Access to social services (art 3.1.c.iv) *Facilitating access to services and associated infrastructure, including modernisation, digitalisation and*	The ESF+ already covers these actions but stresses that access should be to "quality, sustainable and affordable services" and mentions some priority categories (promoting access to

strengthening the quality and resilience of healthcare systems, child and long-term care services	social protection, with a particular focus on children and disadvantaged groups; improving accessibility, including for persons with disabilities). The ERDF can finance social infrastructure.
Demographic challenges (art 3.1.c.v) *Addressing the challenges of demographic change across the EU, which include labour shortages and disparities between generations and regions*	The ERDF can already be used to support integrated territorial development strategies for areas suffering from demographic challenges
Just transition for buildings and road transport (art 3.1.c.vi) *Addressing the social impacts of the inclusion of greenhouse gas emissions from buildings and road transport within the scope of Directive*	The ERDF, the ESF+ and the JTF can already provide support to just transition interventions for buildings and road transport.
Sustain farmers' income (art 3.1.d.i) *Supporting fairer and sufficient income for farmers and their long-term competitiveness, including the farmers' position in the value chain*	Specific CAP objective, not covered by Cohesion Policy funds.
Long-term food security (art 3.1.d.ii) *Contributing to long-term food security*	Specific CAP objective, not covered by Cohesion Policy funds.
Support to rural areas, farmers' crisis preparedness and modernisation of the agri-food sector (art 3.1.d.iii) *Improving the attractiveness and living standards, including access to healthcare, in rural areas and fair working conditions and fostering generational renewal; improving farmers' preparedness and ability to cope with crises and risks; enhancing the access to knowledge and innovation and accelerating the digital and green transition for a thriving agri-food sector*	The ERDF can already support integrated and inclusive development strategies for ´areas other than urban´, including rural areas (Art.3.1.e.ii).

Support fisheries and aquaculture sectors and coastal communities (art 3.1.d.iv) *Ensuring sustainability, competitiveness and resilience of the Union fisheries and aquaculture sector, boosting the sustainable and competitive blue economy in coastal, island and inland areas, enhancing the socioeconomic opportunities and the resilience of the local communities and ensuring strong ocean governance in all dimensions, with safe, secure, clean and sustainably managed ocean*	The ERDF can already provide support to ´areas other than urban´, including local coastal communities (Art.3.1.e.ii). It can also provide support to ´blue investment´ (Art.3.1.b).
Support to sustainable agriculture and forestry (art 3.1.d.v) *Enhancing sustainable agriculture and forestry management practices to promote resilient climate action, provision of multiple ecosystem services, supporting efficient water management, quality and resilience, the implementation of nature-based solutions, strengthening sustainable development, environmental protection, enhancing the conservation and restoration of biodiversity, soil and natural resources, and improving animal welfare.*	The ERDF can already provide support to investments in climate change adaptation and resilience, efficient water management and preservation of nature and biodiversity under PO2.
Support to pro-democratic civil society, citizenship education and youth participation (art 3.1.e.i) *Sustaining and further developing open, rights-based, democratic, equal and inclusive societies, including by building civil society and social partners' capacities to uphold Union values, citizenship education and youth participation*	None of the four Cohesion Policy funds (ERDF, CF, ESF+, JTF) have as objective to promote pro-democratic civil society, citizens' education and youth participation.
Rule of law reforms (art 3.1.e.ii) *Promoting and upholding the rule of law through strengthening justice systems, anti-corruption frameworks, media pluralism, information integrity, media literacy, and effective checks and balances*	None of the four Cohesion Policy funds (ERDF, CF, ESF+, JTF) have as objective to promote rule of law reforms.

Improving public administration (art 3.1.e.iii) *Enhancing the efficiency of public administration and the institutional capacity of public authorities and stakeholders at national, regional and local level*	Cohesion Policy funds provide support to improve the capacity of programme authorities but none of them have as objective to improve the functioning of the public administration in general.
Cultural sector (art 3.1.e.iv) *Promoting culture as a catalyst for European values and supporting a vibrant and diverse cultural sector.*	The ERDF can already support interventions to "enhancing the role of culture and sustainable tourism in economic development, social inclusion and social innovation" (as part of PO4).

ANNEX III. THE TERRITORIAL DIMENSION OF THE FUND´S 28 SPECIFIC OBJECTIVES UNDER PILLAR "PROSPERITY" AND "SECURITY AND DEFENCE"

Box 11. The specific objectives under the "prosperity" and "security and defence" pillar, according to their territorial dimension

Territorial dimension	NRPP specific objectives (Art 3)
Objectives which aim to reduce territorial inequalities or support disadvantaged territories (either as principal or ancillary goal)	- Fostering the attractiveness of territories and supporting the ´right to stay' (Art 3.1.a.i) - Just transition, energy generation, infrastructure and decarbonisation (Art 3.1.a.iii) - Digital investments (Art 3.1.a.iv) - R&D and Innovation (Art 3.1.a. v) - Transport infrastructure (Art 3.1.a. viii) - Addressing demographic challenges (Art 3.1.c.v) - Support to rural areas, farmers' crisis preparedness and modernisation of the agri-food sector (Art 3.1.d.iii) - Support fisheries and aquaculture sectors and coastal communities (Art 3.1.d.iv)
Objectives which shall be promoted "across all regions"	- Support EU's industrial policy (Art 3.1.a. ii) - Development of market-based funding options and Savings and Investment Union (Art 3.1.a. vi) - Housing (Art 3.1.a. vii) - Tourism (Art 3.1.a. xix) - Water management, climate adaptation, preservation of nature and sustainable mobility (Art 3.1.a. x) - Reinforce Union´s defence industry and military mobility (Art 3.1.b.i) - Strengthen Union's preparedness to crises (Art 3.1.b.ii) - Strengthen Union´s security (Art 3.1.b.iii)

This study assesses how the proposed National and Regional Partnership Plans (NRPPs) Regulation restructures the support relevant to Cohesion Policy and regional development. Based on this analysis, it formulates policy recommendations on how the Proposal could be adjusted to better achieve cohesion objectives.

This document was commissioned by the European Parliament's Policy Department for Regional Development, Agriculture and Fisheries at the request of the Regional Development Committee.

PE 776.029
CASP/REGI/2025-30

PDF Web ISBN 978-92-848-3486-0 | doi:10.2861/4555208 | QA-01-26-056-EN-N
PDF X ISBN 978-92-848-3487-7 | doi:10.2861/5199122 | QA-01-26-056-EN-C