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NOTE

From: Presidency
To: Permanent Representatives Committee/Council
Subject: A more dynamic and strategic Cohesion Policy: delivering change in the current and next perspective
- *Exchange of views*

At the meeting of the General Affairs Council dedicated to Cohesion Policy of next 28 March, on the basis of the Presidency paper set out in annex to this note, Ministers in charge of Cohesion Policy are invited to discuss the topic “A more dynamic and strategic Cohesion Policy: delivering change in the current and next perspective”.

Background paper**for the General Affairs Council dedicated to Cohesion Policy****“A more dynamic and strategic Cohesion Policy: delivering change in the current and next perspective”**

For the past few months, the debate on the possible future shape of the next multiannual financial framework (MFF) and Cohesion Policy within it has become more and more intense. The discussion has been shaped by all relevant stakeholders representing the European Commission, Member States, regions and local authorities, other EU institutions, as well as academic and non-governmental organisations¹. The main conclusions from the debates so far show that the ‘business as usual’ approach is not an option in the next MFF. However, when it comes to more detailed solutions, there is a variety of possible approaches, creating a need to discuss practical solutions and build consensus around them.

¹ Among others: Council Conclusion on Cohesion Policy, Joint Declaration of Ministers Responsible for Cohesion Policy signed by 11 Member States (BG, CZ, EE, HR, HU, LT, LV, RO, SK, SI, PL) adopted in May 2024 in Prague; Report of the High-Level Group on the Future of Cohesion Policy; 9th Cohesion Report with Council Conclusion adopted in June 2024; E. Letta Report: Much More Than a Market; Council Conclusion on the Future of Cohesion Policy.

The European Commission proposed a set of main EU objectives and priorities for the coming years². **They include the need to take bold action to ensure sustainable prosperity, competitiveness, democracy, security, defence and resilience while protecting the EU values. Competitiveness** was indicated as one of the main goals of the EU, stressing that it **will be front and centre in the European Commission's mandate**. One of the foundation of Europe's competitiveness is its people and therefore the need to **promote skills and quality jobs** is of key importance. Furthermore, in the context of the evolving geopolitical situation, **European defence** has also gained in importance, as was recently confirmed by the European Council³. The Commission indicated possible actions to simplify and reduce administrative burdens, promote speed and flexibility of policy implementation and better coordinate policies at the EU and national levels. The EU regulatory framework is to be reviewed and adapted to better meet the needs of citizens and businesses, as well as to implement EU funds in a timely and effective manner.

² European Commission, 2025, *Communication from the Commission to the European Parliament, the European Council, the Council, the European Economic and Social Committee and the Committee of the Regions: A Competitiveness Compass for the EU*, COM(2025) 30 final; *Commission work programme 2025 - Moving forward together: A Bolder, Simpler, Faster Union*, COM(2025) 45 final; *Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, A simpler and faster Europe: Communication on implementation and simplification*, COM(2025) 47 final; Letter from The President of the European Commission Ursula von der Leyen, 4 March 2025 https://ec.europa.eu/commission/presscorner/detail/en/ip_25_684, *Communication from the Commission to the European Parliament, the European Council, the Council, the European Economic and Social Committee and the Committee of the Regions: The Union of Skills*, COM(2025) 90 final.

³ European Council Conclusions on European defence, 6 March 2025.

The Communication on the road to the next Multiannual Financial Framework, published in February 2025⁴ indicates that the future EU budget should prioritise addressing common challenges where spending at the European level provides the highest value added. The Communication stresses very clearly that *‘delivering on EU priorities must be done together – with Member States and their regions shaping many of the EU investments on the ground, and the EU budget supporting and incentivizing their action’*. A stronger implementation of a performance-based approach is highlighted as a solution to increase efficiency and the speed of implementation.

In the same document, the European Commission also proposes a new approach to a modernised EU budget, which should present at its core, inter alia, **‘a plan for each country with key reforms and investments and focusing on our joint priorities, including promoting economic, social and territorial cohesion’**. The Commission pointed out that a *‘strengthened cohesion and growth policy with regions at its centre must be designed and implemented in partnership with national, regional and local authorities’*, but how this could be done in practice requires further explanation.

According to the Commission, the idea of such a plan could provide opportunities to improve the coordination between the EU and national policies, ensure synergy between them and foster structural change (in Member States and regions), provided that it is linked to a unification and simplification of implementation rules. However, there is a lack of clarity concerning the proposed inclusion of reforms and investments in the country plans, especially in the context of the lessons learned from implementation of reforms under the Recovery and Resilience Plans, and challenges in defining an adequate role for the regions in this model. Furthermore, the possible impact of this new approach on regional disparities within a country and the role of regional and local authorities are also unclear and may raise concerns about the enforcement of a one-size-fits-all solution. Therefore, there is a need to reflect upon and discuss among Member States how Cohesion Policy should be implemented in the financial perspective post 2027, especially taking account of the Commission proposals in terms of EU priorities, the method of delivery, and the position of Cohesion Policy in these proposals.

⁴ *Communication from the Commission to the European Parliament, the European Council, the Council, the European Economic and Social Committee and the Committee of the Regions: The road to the next multiannual financial framework, COM(2025) 46 final.*

Given the intensification of the reflection on how possibly to align the actions and policies with new EU priorities proposed by the Commission, **it seems appropriate to also modernise Cohesion Policy already in the current MFF, during the ongoing mid-term review of Cohesion Policy programmes.** Adaptation of the current Cohesion Policy to the joint challenges would require the effort of all relevant stakeholders at the EU, national and regional levels in order to reorient and accelerate the implementation and delivery of results under Cohesion Policy.

In this context, the Commission has pointed out that **the ongoing mid-term review of Cohesion Policy programmes** could provide a good opportunity to align Cohesion Policy with emerging needs and EU priorities, especially in view of boosting EU competitiveness, resilience, strengthening security and the simplification of procedures. At the same time, the need to make progress on key EU initiatives, such as an access to affordable and sustainable housing or strengthening of defence capabilities in the EU , is being highlighted⁵. The ongoing mid-term review of Cohesion Policy could also be used as an opportunity to reflect on additional means, possibilities and incentives for defence purposes⁶, including not only dual-use infrastructure but also of fully-fledged military purposes. Therefore, **there is a need to reflect on how to pursue the cohesion objective while addressing core challenges such as strengthening competitiveness, resilience, security and defence at EU, national, regional and local levels in the short and long-term perspective.**

⁵ Among others: Speech by Executive Vice-President Raffaele Fitto at the Conference: "The European Way of Growth: A Growth Policy for a Secure, Resilient and Globally Competitive Europe", Speech by Executive Vice-President Raffaele Fitto on the future of Cohesion Policy at the European Parliament's Committee of Regional Development - REGI, European Commission, 2025, Letter from The President of the European Commission Ursula von der Leyen, 4 March 2025
https://ec.europa.eu/commission/presscorner/detail/en/ip_25_684

⁶ European Council Conclusions on European defence, 6 March 2025.

The discussion during the formal meeting of Ministers responsible for Cohesion Policy aims to explore the possible ways of enhancing Cohesion Policy. There is no doubt that the future Cohesion Policy should evolve and be more closely aligned with the joint EU priorities. However, at the same time, its main objective, i.e. achieving social, economic and territorial cohesion, has to be preserved and further strengthened.

In order to orientate the debate at the meeting of the General Affairs Council in cohesion format, the Polish presidency invites Ministers to share their view on the questions below. These questions will be dealt within a single round table session. Interventions should not exceed 4 minutes.

1. How should the treaty objectives of Cohesion Policy be achieved and multi-level governance promoted in the new architecture of EU policies after 2027? How should it be programmed within the proposed plan for each country, including reforms and investments at national and sub-national level?
2. Taking into account the Commission's approach and the European Council's conclusions, how should cohesion policy be adapted in the current financial perspective to respond effectively to emerging priorities and needs?