

Brussels, 10 March 2025
(OR. en)

6787/25

COH 15

NOTE

From: General Secretariat of the Council
To: Permanent Representatives Committee/Council
Subject: Conclusions on cohesion and Cohesion Policy post-2027
– *Approval*

1. Draft Presidency conclusions on cohesion and Cohesion Policy post-2027 were examined at the meetings of the Working Party on Structural Measures and Outermost Regions of 23 January, 6 and 20 February, and 7 March 2025. The exchanges with delegations at working party level have led to the draft Council conclusions as set out in the Annex to this note.
2. The Permanent Representatives Committee is asked to advise the Council to approve these Council conclusions as set out in Annex to this note.

DRAFT

Council Conclusions on cohesion and Cohesion Policy post-2027

THE COUNCIL OF THE EUROPEAN UNION:

- (1) RECALLS that these Council Conclusions are without prejudice to the negotiations on the post-2027 Multiannual Financial Framework;
- (2) RECALLS its conclusions of November 2022 on Cohesion Policy, of November 2023 on the future of Cohesion Policy, of June 2024 on the 9th Cohesion Report, as well as of November 2024 on the role of Cohesion Policy in addressing demographic challenges in the EU;
- (3) RECALLS the Strategic Agenda 2024-2029, adopted by the European Council on 27 June 2024, which recognises the need to enhance economic, social and territorial cohesion, aiming for continuous upward convergence, reducing disparities, increasing our resilience and competitiveness and stimulating long-term growth across the Union, in order to promote the overall harmonious development of the EU;
- (4) RECALLS the key message of the Budapest Declaration on the New European Competitiveness Deal stating that *“faced with new geopolitical realities, and economic and demographic challenges [...] and the need to ensure the EU’s sovereignty, security, resilience and global influence, the EU should strive to be competitive, productive, innovative and sustainable, building on economic, social and territorial cohesion, and ensuring convergence”*;
- (5) WELCOMES that the European Commission President’s Political Guidelines for the next European Commission 2024–2029 recognise *“the need for a strengthened cohesion and growth policy with regions at the centre [...] designed in partnership with national, regional and local authorities [to] address regional and social disparities”*;

- (6) ACKNOWLEDGES the Letta and Draghi reports¹, which look ahead at the challenges faced by the EU and its policies operating within the Single Market;
- (7) TAKES NOTE of the Communication from the European Commission “A Competitiveness Compass for the EU”² adopted on 29 January 2025;
- (8) RECOGNISES the importance of ensuring that Union values and the Charter of Fundamental Rights of the European Union are effectively applied and respected in practice, and that the financial interests of the Union are safeguarded. In this regard, REITERATES that there is a clear link between the respect for the rule of law and the Charter on the one hand, and Union funding on the other hand, as well as STRESSES the importance of the protection of the financial interest of the Union, considering the Regulation on a general regime of conditionality for the protection of the Union budget;

Economic, social and territorial cohesion and its role in addressing EU challenges

- (9) RECALLS that the objective of economic, social and territorial cohesion, as set out in the Treaties, is at the heart of the European project and that EU policies and actions should contribute to the achievement of this objective through taking into account their territorial dimension and their coordination, and with the active involvement of the national, regional and local authorities and stakeholders, as relevant. In this context, ENCOURAGES the Commission to regularly analyse territorial disparities across Member States and regions. At the same time, POINTS OUT that achieving the objectives of EU policies and actions requires incorporating the territorial dimension into their design and implementation.;

¹ Enrico Letta, *Much more than a market*, April 2024; Mario Draghi, *The future of European competitiveness – A competitiveness strategy for Europe*, September 2024.

² Doc. 5785/25

- (10) IS CONCERNED by the asymmetric territorial and societal impact of numerous challenges faced by the EU, its Member States and regions, in particular the need to increase competitiveness, resilience and security, while addressing the green and digital transitions, and demographic challenges. POINTS OUT that, if left unaddressed, they could lead many regions to gradual divergence, economic stagnation or falling into a development trap, and consequently to widening economic, social and territorial disparities across the EU and jeopardising the European project;
- (11) EMPHASISES that addressing these challenges requires coordination and coherent actions at the EU level, which should be developed in a close dialogue between the Commission, the Member States and, where relevant, regional and local authorities and stakeholders. In this context HIGHLIGHTS the importance of promoting clear complementarities and synergies among EU policies and of avoiding overlaps amongst different instruments;
- (12) CONSIDERS that the European Semester framework should regularly address the convergence objective and, where relevant, its territorial dimension, in full partnership with Member States;

Cohesion Policy and competitiveness

- (13) RECALLS the Letta report, which highlights that effective Cohesion Policy, implemented in a balanced way across the EU, is a key condition for the success of the Single Market;
- (14) ACKNOWLEDGES that “A Competitiveness Compass for the EU” considers that *“a modernised Cohesion policy is crucial for strengthening growth, reducing disparities, and fostering competitiveness across the Single Market, while supporting regions and communities in their long-term development and their just transition”* and notes in particular the role of promoting skills and quality jobs as a horizontal enabler;

- (15) REAFFIRMS that competitiveness and cohesion are interconnected. Cohesion needs competitiveness as a driver of growth, while competitiveness without cohesion neglects the full potential the EU has to offer. EMPHASISES the role of both enhancing competitiveness of the EU as a whole and improving cohesion across countries and regions, thereby contributing to the achievement of EU strategic priorities and addressing EU challenges in a mutually reinforcing manner;
- (16) BELIEVES that in order to boost Europe's competitiveness and resilience, the EU needs to mobilise all its growth engines. EMPHASISES the role of Cohesion Policy in contributing to competitiveness by tapping into the growth potential of all territories, including the less developed regions, and building on the local strengths. STRESSES the importance of Smart Specialisation Strategies, building cooperation networks, including knowledge transfer, research and innovation, to help regions develop competitive capacities, strengthen regional value chains and integrate into global value chains. This would enhance the long-term resilience of the regions, promote upward convergence and reduce inter- and intra-regional disparities and social discontent;

Foundations and key principles of Cohesion Policy

- (17) RECALLS that Cohesion Policy, being central to the European integration project, is the EU long-term structural investment policy which reduces regional disparities in the EU and increases the upward convergence and resilience of EU regions. STRESSES that Cohesion Policy should continue to contribute to achieving strategic goals and priorities of the European Union while addressing national and regional objectives;

- (18) REAFFIRMS that Cohesion Policy should continue to be based on its key principles, such as shared management, multi-level governance, partnership, as well as people- and place-based approach, being applied alongside the principles of proportionality and subsidiarity. RECALLS that those key principles are crucial for the proper involvement of national, regional and local authorities and stakeholders in the programming, implementation and management of Cohesion Policy, which should take place as close to European citizens as possible and for their benefit, thus making the delivery of the policy more people-oriented, bottom-up and efficient. HIGHLIGHTS that those principles reinforce the whole model of European integration while creating a sense of shared responsibility and values;
- (19) CALLS on the Commission to enhance the territorial approach through actions adjusted to the needs and opportunities of various areas. ACKNOWLEDGES that territorial instruments could better take into consideration existing territorial strategies in the Member States. BELIEVES that functional areas, building, among others, on urban-rural linkages, can serve as an effective framework for implementing tailor-made strategies and address challenges going beyond administrative boundaries;
- (20) EMPHASISES that Cohesion Policy should remain open for all regions, in particular the least favoured ones, rural areas, areas affected by industrial transition, regions which suffer from severe and permanent natural or demographic handicaps such as the northernmost regions with very low population density and island, cross-border and mountain regions, as referred to in Article 174 TFEU. STRESSES that Cohesion Policy should continue to play a key role in reducing regional disparities in the EU, helping less developed regions to catch up with the more developed ones, with a view to upward convergence of the Union. RECOGNISES the importance of addressing challenges related to the geopolitical instability at the external borders of the EU, with special attention to the Member States and the regions that are most affected by Russia's war of aggression against Ukraine, especially regions bordering Russia and Belarus and those bordering Ukraine; ACKNOWLEDGES challenges for the Member States and the regions related to migratory pressures, including those caused by the ongoing conflicts.

- (21) UNDERLINES the need to unlock the Outermost Regions' full potential within the EU and their contribution to the projection of EU interests and values beyond its European borders. CALLS on the Commission to make full use of the possibilities offered by Article 349 TFEU, fostering their regional integration and guaranteeing that adequate rules are reflected in the Cohesion Policy post 2027, in addition to their specificities and constraints being considered in any other legislative proposals;
- (22) UNDERLINES that all strands of European Territorial Cooperation foster stronger regional ties and integration among Member States, as well as cultivate positive relations between the EU and its partner countries. CALLS on the Commission to explore possible paths to strengthen interregional, transnational and cross-border cooperation, leading to increased resilience and improved functioning of the Single Market and harmonious development across the borders. EMPHASISES the need to improve synergies between mainstream programmes and Interreg programmes;
- (23) REMINDS that Cohesion Policy is not a crisis response tool, while acknowledging its ability to respond to unforeseen and unexpected circumstances that could potentially undermine the development capacity of the regions. At the same time, ENCOURAGES the Commission to draw lessons from responses to recent crises taken by Cohesion Policy, in order to streamline the existing emergency instruments and ensure their greater effectiveness;

Governance of Cohesion Policy

- (24) STRESSES that shared management must remain the delivery method of Cohesion Policy;

- (25) RECALLS the importance of multi-level governance that enables effective interventions at the most appropriate territorial levels in each Member State, at the same time strengthening the sense of shared responsibility. Together with shared management and dialogue with partners, both during the programming and implementation phases, multi-level governance facilitates the achievement of Treaty-based policy goals and empowers the Member States, regional and local authorities. In this context CALLS on the Commission to maintain their role in the governance of Cohesion Policy and delivery of EU goals based on their territorial potentials and specific challenges;
- (26) CALLS on the Commission to ensure that the Cohesion Policy governance model continues to respect the existing division of competences and coordination system among different levels of government in each Member State and the role of regional and local authorities in policy design, programming, management, implementation, monitoring and evaluation;
- (27) UNDERLINES that strong institutions, good governance and administrative capacity are required for an effective implementation of policies, reforms and investments, including when faced with new and rapidly evolving challenges. Therefore, without undermining existing systems in Member States, CALLS ON the Commission to propose effective measures to support administrative and institutional capacity building at national, regional and local levels within the Cohesion Policy framework;

Effectiveness and efficiency of Cohesion Policy

- (28) RECALLS that Cohesion Policy is a long-term investment policy and that improving the efficiency and effectiveness of Cohesion Policy can be achieved by focusing on results. ACKNOWLEDGES that Cohesion Policy could enable reforms relevant to Cohesion Policy objectives which are in line with the Union's priorities, while respecting Member States' priorities; EMPHASISES that the key principles and objectives of Cohesion Policy should be respected while defining investments and reforms;

- (29) INVITES the Commission to explore options for a more performance-based approach based on lessons learnt from financing not linked to costs and simplified cost options, and from the experience of the existing models, and taking due account of available evaluations and audits of the performance-based systems, including those conducted by the European Court of Auditors. POINTS OUT that if a more performance based approach is introduced, a more flexible, including in the programming, and a more tailor-made approach that recognises specific territorial needs and challenges is needed;
- (30) While preserving the foundations and key principles of Cohesion Policy, CALLS FOR further simplification and reduction of the administrative burden at all levels and all stages of programming, implementation, monitoring, control and audit; at the same time INVITES the Commission to propose more uniform implementation rules for Cohesion Policy funds, to avoid multiplication of funds and reduce the fragmentation of support; UNDERLINES as well the importance of simplification and greater coherence of EU state aid rules across EU instruments, including Cohesion Policy, and of simplification of public procurement procedures, while ensuring level playing field and fair competition in the Single Market;
- (31) RECALLS the need for harmonisation and proportionality of controls and audits, as well as the extension of the application of the single audit principle, while safeguarding high standards for the prevention of and fight against fraud and corruption at all levels;
- (32) INVITES the Commission to make Cohesion Policy more result-oriented, in particular to use an evidence-based approach in designing the framework of the future policy and to further develop and simplify the well-established systems of monitoring and evaluation in order to assess how investments and reforms deliver strategic goals, to strengthen tools aimed at examining the potential and real impacts of policy interventions, as well as to further embed territorial impact assessments in policy preparation and evaluation;

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- (33) LOOKS FORWARD to the presentation by the Commission of the results from the policy review on the impact on Cohesion Policy of future enlargements;
- (34) AWAITS receipt of proposals for the next legislative package for Cohesion Policy as early as possible in 2025, to enable swift negotiations and a timely and smooth start of its implementation.
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