



EUROPEAN  
COURT  
OF AUDITORS

EN

# Opinion 02/2025

(pursuant to Article 322, TFEU)

**concerning the proposal 2025/0084 (COD) for a Regulation of the European Parliament and of the Council amending Regulations (EU) 2021/1058 and (EU) 2021/1056 as regards specific measures to address strategic challenges in the context of the mid-term review and the proposal 2025/0085 (COD) for a Regulation of the European Parliament and of the Council amending Regulation (EU) 2021/1057 establishing the European Social Fund + (ESF+) as regards specific measures to address strategic challenges**

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# Introduction

**01** On 1 April 2025, the Commission adopted a Communication entitled “A modernised Cohesion policy: The mid-term review”<sup>1</sup> accompanied by two legislative proposals in respect of the cohesion policy funds regulations for the 2021-2027 programming period:

- o a [proposal to amend Regulations \(EU\) 2021/1056 and 2021/1058](#) concerning the Just Transition Fund (JTF) and the European Regional Development Fund (ERDF)/ Cohesion Fund (CF)<sup>2</sup> and;
- o a [proposal to amend Regulation \(EU\) 2021/1057](#) concerning the European Social Fund Plus (ESF+)<sup>3</sup>.

**02** These legislative proposals aim to enable member states to use the mandatory mid-term review of the 2021-2027 cohesion policy programmes to reallocate available resources to new EU strategic priorities. They reflect the Commission’s objectives of accelerating the deployment of cohesion policy funds, aligning EU spending with recent strategic initiatives<sup>4</sup> and taking into account the current geopolitical context, including Russia’s war of aggression against Ukraine. The proposed measures are voluntary and do not involve any top-up of the initial allocation available to member states.

**03** The proposals: introduce new priorities for the use of cohesion policy funds; offer increased flexibility for reprogramming existing resources; extend the scope of the interventions that are eligible; and introduce financial incentives, such as higher pre-financing and co-financing rates for some defined priorities. Specific provisions for regions bordering Russia, Belarus or Ukraine are also introduced.

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<sup>1</sup> [COM\(2025\) 163](#).

<sup>2</sup> Commission proposal [COM\(2025\) 123](#).

<sup>3</sup> Commission proposal [COM\(2025\) 164](#).

<sup>4</sup> [Clean Industrial Deal](#), [REPowerEU initiative](#), [European Defence Industrial Strategy](#), [Strategic Technologies for Europe Platform \(STEP\) initiative](#), [Union of Skills](#), [New European Bauhaus](#), [Preparedness Union Strategy](#), [European Defence – Readiness 2030](#), [Security Action for Europe \(SAFE\)](#).

**04** The legal basis of the Commission's proposals means that consultation with the European Court of Auditors is mandatory<sup>5</sup>. We received a formal request from the European Parliament on 14 April 2025. This opinion fulfils the consultation requirement for the two proposals.

**05** Our aim with this opinion is to identify issues for the legislators to consider when they examine the Commission's proposals. It addresses the following:

- new priorities and scope of support;
- financial incentives and flexibilities for new priorities;
- timing and administrative effort.

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<sup>5</sup> Treaty on the Functioning of the European Union, article 322(1).

# Observations

## New priorities and scope of support

### New strategic priorities

**06** The Commission's proposals introduce new priorities for the ERDF, CF, JTF and ESF+ [cohesion policy funds,] notably related to the defence, housing and energy sectors (**Box 1**).

#### Box 1

#### Overview of the new specific objectives and priorities proposed

##### ERDF/CF

New specific objectives are introduced regarding:

- **Defence and security:** industrial capacities in the defence sector and the military mobility,
- **Housing:** access to affordable housing and related reforms,
- **Energy security and energy transition:** energy interconnectors and related transmission infrastructure and recharging infrastructure.

One specific objective in respect of **water** is reformulated to include the concept of water resilience.

##### ESF+

Two new priorities are introduced to support the development of **skills** in the **defence industry** and in the **decarbonisation of production** through existing specific objectives.

##### JTF

Access to affordable **housing** and related reforms is added in the list of activities supported.

**07** In addition, the proposals reinforce [the Strategic Technologies for Europe Platform \(STEP\)](#) objectives included within cohesion policy funds in February 2024. These support investments in critical technologies and industrial capabilities (i.e. digital

technologies and deep-tech innovation, clean and resource-efficient technologies, biotechnologies)<sup>6</sup>.

**08** We note that investments within the scope of the priorities added by the proposals are, to a large extent, already possible under the current legal framework. These include investment in dual-use technologies, e-charging infrastructure, water management and the development of workers' skills. However, investment in single use defence capabilities and military mobility (paragraphs **12-19**) are new for cohesion policy.

**09** The ECA has previously observed a progressive expansion of cohesion policy, covering a growing range of EU priorities<sup>7</sup> and successive crises<sup>8</sup>. This has led to a complex and sometimes fragmented environment, shaped by multiple strategies<sup>9</sup>. While alignment with evolving EU priorities can enhance the policy's relevance, the proposals risk further widening its scope and diverting resources from its core mission of reducing regional disparities<sup>10</sup>.

**10** By introducing new priorities and specific objectives – which will be programmed under dedicated priorities with their own thematic concentration and financing rules – the proposals risk adding further to the fragmentation and complexity of cohesion policy programmes.

**11** The Commission's proposals are not accompanied by an impact assessment, as required by the [Commission's Better Regulation Guidelines](#) for initiatives that are likely to have significant economic, environmental or social impacts or which entail significant spending<sup>11</sup>. This would have allowed more informed decision-making on the needs and implications of the proposed changes regarding the new priorities (**Box 1**), especially defence-related investments, as well as the potential impact of the additional flexibilities (paragraphs **28-41**).

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<sup>6</sup> [Regulation \(EU\) 2024/795](#), article 2.

<sup>7</sup> [Review 08/2019](#) (Briefing paper), paragraph 3.

<sup>8</sup> [Special report 02/2023](#), paragraphs 84-85.

<sup>9</sup> [Review 08/2019](#) (Briefing paper), paragraphs 14-18.

<sup>10</sup> [Treaty on the Functioning of the European Union](#), article 174.

<sup>11</sup> [SWD \(2021\) 305](#), chapter 4.

## Defence and security priorities

**12** We acknowledge that the EU's security environment has fundamentally changed and this requires an urgent response. The Commission proposes to make the following investments newly eligible under the ERDF and CF: defence-related industrial production capacity, research and innovation, as well as infrastructure facilitating military mobility. However, the proposal does not clarify how these investments would contribute to the objective of cohesion to strengthen territorial, economic and social cohesion as set out in the Treaty<sup>12</sup>.

**13** While defence-related investments could generate meaningful economic impacts, they may not always align with the territorial development strategies and regional bottom-up approach that underpin cohesion policy. The development of coherent defence capacities and industrial value chains is reliant on national and European rather than regional strategies.

**14** For defence investments the proposal does not include any derogations from the horizontal principles stated in the [Common Provisions Regulation \(CPR\)](#). In particular:

- it is unclear how the “do no significant harm” (DNSH) environment principle<sup>13</sup>, as defined in the [Taxonomy Regulation](#)<sup>14</sup>, applies to defence investments;
- It is also unclear if the [General Block Exemption Regulation \(GBER\)](#)<sup>15</sup>, which provides some exemptions to state aid notification procedure, would be extended to ERDF's investments in the defence sector;
- the proposal does not provide any derogation of the [CPR](#) transparency obligations<sup>16</sup> that require the publication of project and beneficiary data. While this legal requirement is justified for other types of investments, there are potential security implications to publicly disclosing EU financed projects related to dual-use and defence industry technologies, as well as military infrastructure.

**15** In addition, the proposal does not establish any eligibility criteria on the country of establishment of entities supported for dual-use or defence capability projects. As

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<sup>12</sup> [Treaty on the Functioning of the European Union](#), article 174.

<sup>13</sup> [Regulation \(EU\) 2021/1060](#), article 9.

<sup>14</sup> [Regulation \(EU\) 2020/852](#), article 17.

<sup>15</sup> [Commission Regulation \(EU\) 651/2014](#).

<sup>16</sup> [Regulation \(EU\) 2021/1060](#), article 49(3).

such, cohesion funding may support companies ultimately controlled by entities not from the EU or associated countries, thus helping the development of technologies and defence capacities of those countries.

**16** In contrast, financing similar types of investments under the [European Defence Fund](#)<sup>17</sup>, the [European Defence Industry Programme \(EDIP\)](#)<sup>18</sup> and the [Security Action for Europe \(SAFE\)](#)<sup>19</sup>, does not require compliance with the DNSH principle, nor the publication of project and beneficiary data. They also restrict eligibility based on the country of origin of potential beneficiaries<sup>20</sup>.

**17** Regarding military mobility, the proposal does not restrict funding to projects that are part of the EU Priority Military Mobility Corridors identified by member states, which are intended to ensure prioritisation towards the most strategic projects<sup>21</sup>. Our [2025 military mobility report](#) stressed the need for coordinated EU funding to prevent fragmented project selection lacking strategic and geopolitical consideration<sup>22</sup>.

**18** In addition, eligibility rules for military mobility projects lack clarity. Projects such as constructing or upgrading roads or bridges to sustain heavy military vehicles are by nature dual-use as they are also available for use by other types of vehicle. In this context, it is not clear how managing authorities will have to check and demonstrate that the project has the necessary military dimension to be eligible.

**19** The proposals do not make any reference to [the European Defence Industrial Strategy \(EDIS\)](#)<sup>23</sup>, in which the Commission refers to the need to link defence and cohesion policy by encouraging cross-border industrial cooperation and supply chain resilience. This poses risks of uncoordinated and overlapping investments. Similarly, the proposals do not specify how cohesion policy funding should be coordinated with

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<sup>17</sup> [Regulation \(EU\) 2021/697](#), article 10.

<sup>18</sup> Commission proposal for a Council Regulation [COM\(2024\) 150](#).

<sup>19</sup> Commission proposal for a Council Regulation [COM\(2025\) 122](#).

<sup>20</sup> [Regulation \(EU\) 2021/697](#), article 9; [COM\(2024\) 150](#), article 10; and [COM\(2025\) 122](#), article 17.

<sup>21</sup> Annex II to the Military Requirements for Military Mobility adopted by the Council on 18 March 2025.

<sup>22</sup> [Special report 04/2025](#), paragraph 54.

<sup>23</sup> [A new European Defence Industrial Strategy: Achieving EU readiness through a responsive and resilient European Defence Industry](#).

the EDIP<sup>24</sup>, which is expected to serve as the primary funding mechanism for implementing the EDIS. Since the EDIP may finance projects similar to those co-financed under the cohesion policy, there is a risk of uncoordinated and overlapping investments<sup>25</sup>.

### Affordable housing

**20** The proposals provide the possibility to finance “affordable housing”, but the term is not defined, nor do they specify the types of housing that would be eligible or final beneficiaries targeted. Neither do they address the risk that EU support crowds out private investment and will ultimately benefit real estate owners.

**21** While acknowledging the scarcity of affordable housing in member states, the proposal does not include reference to any gap analysis identifying where EU intervention is most needed. Furthermore, it is not clear how this spending will contribute to the better functioning of national housing markets.

### Support for reforms

**22** The proposal for ERDF and CF introduces the possibility to finance activities that contribute to the implementation of reforms under the specific objectives. Such support may also cover costs that are not directly linked to the implementation of investments. This represents a novelty for cohesion policy funds. However, the proposal lacks a clear definition for reforms that can be supported under ERDF/CF, nor does it specify the types of actions or expenditure that will be considered eligible. Without these details, the scope of support that would qualify as reforms remains unclear, potentially encompassing everything from preparatory actions to development of legislative reform packages or broader implementation actions.

**23** Furthermore, although the recitals refer to the “payment of costs”, the current proposal does not clarify the financing model to be used for reforms, such as reimbursement of actual eligible costs incurred or the financing not linked to costs model. This is particularly relevant as the costs related to the implementation of reforms are generally difficult to identify, quantify and justify. As highlighted in our

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<sup>24</sup> Commission proposal for a Council Regulation [COM\(2024\) 150](#).

<sup>25</sup> [Opinion 02/2024](#), paragraph 28.

reports on the RRF<sup>26</sup>, around 75 % of reforms included in member states' RRFs had no estimated costs associated with them, even in cases with significant underlying investments and costs. This increases the risk of double funding from EU funds<sup>27</sup>.

## Support to enterprises other than SMEs

**24** The proposal increases the scope of support of the ERDF and CF – subject to the application of state aid rules – to the productive investments in enterprises other than SMEs (i.e. large enterprises or midcaps), for:

- (a) supporting investments in all regions that contribute to the STEP objectives;
- (b) enhancing industrial capacity to foster defence capabilities or contributing to defence projects;
- (c) facilitating industrial adjustment linked to decarbonisation, and support to circular processes of production and products;
- (d) investments in the projects directly participating in an Important Project of Common European Interest (IPCEI).

**25** The extension of the scope of support to large enterprises to some extent reflects the Commission focus on competitiveness<sup>28</sup> and decarbonization<sup>29</sup>. However, such support poses risks of diversion of cohesion policy resources from SMEs.

## Seal of Excellence and Sovereignty Seal

**26** We welcome the proposed extensions of the scope of support under the JTF to projects awarded with either of these seals, as well as the ERDF support to projects awarded with a Sovereignty Seal in the Innovation Fund. This would allow managing authorities to finance projects that have been granted one of these labels under directly managed EU programmes. We acknowledge the potential efficiency gains from

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<sup>26</sup> Special report 22/2024, paragraph 33. Special report 10/2025, paragraph 59.

<sup>27</sup> Special report 22/2024, paragraphs 34-35 and 103.

<sup>28</sup> COM(2025) 30.

<sup>29</sup> Clean Industrial Deal.

relying on the Commission's project evaluation process. The proposed amendments could contribute to an increased uptake in these labels.

**27** We have in the past identified that the limited uptake of Seal of Excellence projects by managing authorities was due to administrative barriers<sup>30</sup> and a lack of alignment in selection criteria<sup>31</sup> in funding programmes. Managing authorities still have to ensure projects comply with the DNSH principle, which is not assessed in any of the centralised programmes awarding the seals<sup>32</sup>. Moreover, the state aid rules applicable to cohesion funds for Sovereignty Seal projects are not yet aligned with those applicable to the Innovation Fund. These barriers could limit the financing of seal projects under cohesion policy funds.

## Financial incentives and flexibilities for new priorities

**28** The Commission's proposals introduce a set of incentives to encourage member states to reallocate ERDF, CF and ESF+ resources towards the Union's newly-defined strategic priorities (paragraph **06**). These incentives include increased prefinancing and co-financing rates, a one-year extension of the eligibility period and relaxation of thematic concentration rules. The incentives provided in the proposals also apply to reallocation towards STEP investment areas (paragraph **07**). The proposal for ERDF removes the ceiling of 20 % of the allocation for reprogramming towards the STEP objectives.

**29** We note that the higher prefinancing and co-financing rate proposed by the Commission may reduce the amount of funds at risk of decommitments by accelerating payments from the EU budget<sup>33</sup>.

### Additional prefinancing

**30** The proposals introduce, on top of the yearly 0.5 % prefinancing<sup>34</sup>, an additional one-off prefinancing of 4.5 % in 2026 for programmes that reallocate at least 15 % of their total financial resources to the new dedicated priorities, and for which

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<sup>30</sup> [Special report 23/2022](#), paragraphs 69-77.

<sup>31</sup> [Special report 28/2018](#), paragraph 93.

<sup>32</sup> [Horizon Europe](#), the [Innovation Fund](#) or the [Digital Europe Programme](#).

<sup>33</sup> [2023 annual report](#), paragraphs 2.33-2.34.

<sup>34</sup> [Regulation \(EU\) 2021/1060](#), article 90.

amendments are submitted before 31 December 2025. For programmes covering NUTS 2 regions bordering Russia, Belarus or Ukraine, this one-off prefinancing is increased to 9.5 %. In addition, a one-off prefinancing of 30 % of the allocation to the new specific objectives is proposed for 2026.

**31** While we note that higher prefinancing provides liquidity to managing authorities, it may also put pressure on the yearly payment appropriations available to the EU budget<sup>35</sup>. For this reason, the one-off prefinancing of 30 % needs to be fully justified by the needs, and supported by appropriate mitigating actions if the pressure on payment appropriations proves to be the case in practice.

### **Possibility of 100 % EU financing**

**32** The legislative proposals introduce the possibility to apply up to a 100 % EU financing rate to the newly-introduced strategic dedicated priorities for programme amendments submitted in 2025 for all categories of regions. For programmes covering NUTS 2 regions bordering Russia, Belarus or Ukraine, the 100 % EU financing rate can apply to the whole programme providing that it reallocates at least 15 % of its total resources to the new specific objectives, and that amendments are submitted before 31 December 2025.

**33** We note that the temporary use of 100 % EU financing was introduced in the context of crisis-response measures, such as those adopted in response to the COVID-19 crisis where it served to ensure the rapid mobilisation of funds<sup>36</sup>. In contrast, the current proposals aim to support the long-term reorientation of cohesion policy priorities, and do not constitute a temporary crisis-response mechanism.

**34** A higher EU financing rate can reduce pressure on national and regional budgets, but it also results in a lower overall volume of investment by removing the leverage effect of cohesion funding, at a time when increasing investment is considered essential to deliver EU strategic priorities<sup>37</sup>. We have repeatedly pointed out<sup>38</sup> that mandatory national or private co-financing is an important principle for cohesion

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<sup>35</sup> [Opinion 03/2020](#), paragraph 8.

<sup>36</sup> [Special report 02/2023](#), paragraphs 30 and 67-69.

<sup>37</sup> [The future of European competitiveness: In-depth analysis and recommendations \(part B\)](#), Mario Draghi, 2024.

<sup>38</sup> [Special report 02/2023](#), paragraph 69. [Review 01/2023](#), paragraph 71.

policy funds, as it supports ownership and incentivises efficient and effective spending. Reducing or eliminating this requirement risks weakening these incentives.

**35** We note that the possibility to apply a 100 % EU financing rate irrespective of a region's level of economic development may disproportionately favour the most developed regions, as these are subject to lower EU co-financing rates. A potential alternative to the proposed approach is a limited top-up to existing co-financing rates, respecting the co-financing rate regime per category of region.

### End of eligibility period

**36** The proposals include an extension of the eligibility period by one year – from end 2029 to end 2030 – for programmes that reallocate at least 15 % of their total allocation to new specific objectives. This changes the applicable decommitment rule for 2027 from year n+2 to year n+3 for those programmes, to take into account the time needed to refocus the related investments.

**37** Extending the eligibility period reduces the incentives for timely implementation and increases the risk of delayed payment claims, slower programme execution<sup>39</sup>, and a higher stock of outstanding commitments. In turn this could place pressure on the EU budget in subsequent years<sup>40</sup>. Furthermore, a prolonged eligibility period increases the overlap between programme periods, a situation the ECA has identified as a recurring cause of delays in the implementation of cohesion spending<sup>41</sup>. We also consider that introducing different eligibility periods at closure, depending on whether programmes re-allocate funds above the 15 % threshold or not, would lead to complexity and unequal treatment – for example, when a managing authority is only able to reallocate just below 15 % to the new specific objectives.

### Incentives for alignment with Union priorities

**38** The legislative proposals introduce incentives (paragraphs **30-37**) – higher prefinancing, 100 % EU financing, and extended eligibility period – to encourage member states and regions to reallocate a share of their cohesion policy funding towards the newly defined EU priorities.

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<sup>39</sup> [Special report 17/2018](#) – Commission responses paragraph 83.

<sup>40</sup> [Review 05/2019](#) (Rapid case review), paragraphs 34-69.

<sup>41</sup> [Review 05/2019](#) (Rapid case review), paragraphs 35-38. [Review 01/2023](#), paragraph 23.

**39** Offering preferential treatment for the newly-introduced top-down EU priorities represents a shift from the place-based logic of cohesion policy and regional needs. In addition, the introduction of a 15 % reallocation threshold to benefit from additional financial flexibilities may create incentives for member states to restructure their programmes to meet the required level, rather than because they reflect strong investment needs compared with their previously identified priorities.

### Thematic concentration

**40** The proposals include exemption from thematic concentration rules. For ESF+, resources allocated to the new dedicated priorities are not taken into account when calculating thematic concentration compliance. For ERDF, resources allocated under the new specific objectives can be counted as contributing to thematic concentration requirements for Priority Objectives 1 (Smarter Europe) and/or 2 (Greener Europe). In practice, this means that investments in defence, military mobility or affordable housing can be counted towards meeting the Smarter Europe or Greener Europe objectives.

**41** While thematic concentration rules help link EU overarching priorities to EU funding<sup>42</sup>, it may also limit the flexibility of member states and regions to refocus allocations as their needs evolve. In this respect, the proposals will allow more room for manoeuvre in the reprogramming exercise. At the same time, we note that such derogations to the thematic concentration rules are regularly introduced in amendments to the cohesion policy legislative frameworks<sup>43</sup>, and may dilute the overall credibility and effect of thematic concentration requirements.

### Timing and administrative effort

**42** The Commission published its mid-term review proposals on 1 April 2025. However, member states were required to submit the outcome of their mid-term review exercise and related programme amendments already by 31 March 2025<sup>44</sup> (*Box 2*).

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<sup>42</sup> [Special report 02/2017](#), paragraphs 67-80. [Opinion 06/2018](#), paragraph 17.

<sup>43</sup> [Special report 02/2023](#), paragraph 69. [Special report 02/2017](#), paragraphs 69 and 144.

<sup>44</sup> [Regulation \(EU\) 2021/1060](#), article 18(2).

## Box 2

### Regulatory provisions on the mid-term review

Article 18 of the [CPR](#) establishes the mid-term review mechanism to assess programme implementation, and to allocate 50 % of the amounts reserved for 2026 and 2027 (flexibility amount). The flexibility amount applies to the ERDF, the CF and the ESF+, but not to the JTF. Member states had to submit, by 31 March 2025, an assessment for each programme, with proposals for the definitive allocation of the flexibility amount and, if necessary, a programme amendment reflecting the review outcome<sup>45</sup>.

The assessment should consider several elements, including:

- new challenges identified in the 2024 country-specific recommendations;
- the socio-economic situation of the member state or region, including any significant negative developments; and
- progress in achieving the milestones (end of 2024), considering major difficulties in the programme implementation<sup>46</sup>.

**43** In its September 2024 guidance, the Commission did not encourage a wide reprogramming through the mid-term review as programmes were adopted only in 2022 and most experienced delayed or slow implementation<sup>47</sup>. Therefore, the Commission proposes a significant change in its approach towards the mid-term review, going beyond its initial scope of allocation of the flexibility amount ([Box 2](#)).

**44** The proposals allow to re-submit a complementary mid-term assessment and related programme amendments within two months after the entry into force of the amended regulations. However, the four-month deadline for Commission approval of programme amendments remains unchanged<sup>48</sup>. Any delays in adopting the proposals or programme amendments may further delay future implementation.

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<sup>45</sup> Regulation (EU) 2021/1060, articles 18(2) and (3).

<sup>46</sup> Regulation (EU) 2021/1060, article 18(1).

<sup>47</sup> 2021-27 mid-term review: [Webinar for Managing Authorities](#), European Commission, 2024, slide 11.

<sup>48</sup> Regulation (EU) 2021/1060, article 24(4).

**45** Managing authorities will have to adjust, and resubmit, programme amendments in a short timeframe to take advantage of the new provisions. This process will require significant administrative workload. In addition, many had already submitted, or were expected to be very advanced in preparing, their mid-term review amendments before the proposals were published. For example, according to Commission data, as of 16 April 2025, 58 % of ERDF/CF programmes had already submitted a mid-term review amendment.

**46** We previously highlighted that it is essential for the Commission to provide timely assistance to member states and regions, and early clarification of any legal uncertainties regarding eligibility rules. This helps facilitate the swift adoption of programme amendments and reduces the risk of compliance errors. Tools such as the Questions & Answers database, and targeted bilateral guidance, can provide support in this regard<sup>49</sup>.

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<sup>49</sup> Special report 02/2023, paragraphs 43-49.

## Concluding remarks

**47** The Commission’s proposals introduce changes to 2021-2027 cohesion policy framework to allow and incentivise managing authorities, in the context of the mid-term review, to reprogramme cohesion policy resources towards newly-defined EU priorities. The proposals enhance the responsiveness of cohesion policy to fast evolving strategic needs by reinforcing certain objectives and extending the scope of the support that can be considered eligible. The priorities to which cohesion policy resources should be allocated is a matter of political decision for the EU co-legislators. Without questioning these policy choices, we observe that implementing cohesion policy funding effectively already faces challenges, and the same funds are now being used as a vehicle to support evolving EU strategic objectives. The Commission should take adequate measures to mitigate the risk that the implementation of these new priorities weakens the place-based approach and negatively affects the effectiveness of the policy resulting in increasing regional disparities.

**48** We have highlighted a number of potential risks arising from the proposed changes that we consider important for the co-legislators to take into account, including additional pressure on administrative capacities and greater complexity in programming and delivery. The differentiated application of eligibility periods and financing conditions, depending on the extent of reallocation, could create inconsistencies in the treatment of programmes and complicate the overall management of the policy.

**49** Based on our analysis, we invite the Commission and co-legislators to:

- carry out an *ex post* evaluation of the impact of the new measures on cohesion policy, and ensure that major amendments to the cohesion policy framework in the future are preceded by an appropriate impact assessment (paragraph [11](#));
- clarify the eligibility of the defence-related investments<sup>50</sup>, and better align them to the existing EU defence-related strategies and funding instruments (paragraphs [12-19](#));
- clarify the application of the “do no significant harm” principle and adapt transparency obligations as appropriate for defence-related measures (paragraphs [12-19](#));

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<sup>50</sup> COM(2025) 123, articles 1(1)(a)(i) and (iv).

- define more precisely the scope and eligibility of affordable housing<sup>51</sup> investments, including the types of housing supported and the categories of beneficiaries targeted (paragraphs [20-21](#));
- clarify the scope of eligible activities and the applicable financing arrangements for support to reforms<sup>52</sup> under cohesion policy (paragraphs [22-23](#));
- limit the application of the 100 % EU financing rate<sup>53</sup> and consider replacing it with a limited top-up to existing co-financing rates, maintaining differentiation between categories of regions (paragraphs [32-35](#));
- establish a single closure date for all programmes at the end of the eligibility period<sup>54</sup>, irrespective of the extent of reallocation (paragraphs [36-37](#));
- take better account of the need to simplify procedures, limit administrative burden, and avoid adding to the complexity of programming and implementation (paragraphs [09-10](#), [42-46](#));
- provide appropriate guidance to managing authorities to facilitate the implementation of programme amendments following the mid-term review adjustments (paragraphs [44-46](#)).

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<sup>51</sup> [COM\(2025\) 123](#), articles 1(1)(a)(iii), (v) and (vi), and 2(1)(a).


<sup>52</sup> [COM\(2025\) 123](#), article 1(1)(e).

<sup>53</sup> [COM\(2025\) 123](#), articles 1(1)(c) and 1(5) introducing article 7a(4). [COM\(2025\) 164](#), article 1(1) introducing article 5a(3), article 1(3) introducing articles 12c(5) and 12d(5).

<sup>54</sup> [COM\(2025\) 123](#), article 1(5) introducing article 7a(2). [COM\(2025\) 164](#), article 1(1) introducing article 5a(2).

This opinion was adopted by the Court of Auditors in Luxembourg on 30 April 2025.

*For the Court of Auditors*

A handwritten signature in blue ink, appearing to read 'Tony Murphy'.

Tony Murphy  
*President*

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