



**COUNCIL OF
THE EUROPEAN UNION**



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Council agrees on further elements of new EU cohesion policy

Today, the Council took a further step¹ towards the adoption of new rules for EU cohesion policy for the 2014-2020 period by agreeing on a second partial general approach² ([11027/12 REV 1](#) + [11027/12 ADD 5 REV 2](#)).

The purpose of cohesion policy is to reduce disparities between the levels of development of the EU's various regions.

The partial general approach agreed today complements the partial general approach on six rather technical elements³ agreed on 24 April ([8925/12](#)).

The Council's latest partial general approach is aimed at improving efficiency and effectiveness of cohesion policy spending by concentrating investments on a limited number of thematic objectives and by enhancing the use of financial instruments and private public partnerships.

¹ The decision was taken at a meeting of the General Affairs Council.

² A general approach is a political agreement of the Council pending the adoption of a first-reading position by the European Parliament. The general approach on the cohesion policy legislative package is partial since some elements are excluded, in particular the sums to be devoted to cohesion policy and the eligibility of different regions.

³ Programming; ex ante conditionality; management and control; monitoring and evaluation; eligibility; major projects.

P R E S S

Care has been taken to ensure that the partial general approach does not prejudice the outcome of negotiations on other elements of cohesion policy or on the EU's multiannual financial framework (MFF) for 2014-2020 or financial regulation.

The partial general approach may therefore be subject to change as a result of these other negotiations.

The partial general approach agreed today covers the four following thematic blocks:

- Thematic concentration, as set out in [11027/12 ADD 1 REV 2](#). The funds are concentrated on a limited number of thematic objectives reflecting the 2020 priorities of the EU and taking into account the level of development of the different regions. Minimum shares of cohesion policy expenditure are set for employment, social inclusion and education.
- Financial instruments, as set out in [11027/12 ADD 2 REV 1](#). The five funds covered by a common strategic framework (CSF)¹ may be used to support financial instruments such as loans, guarantees, equity investments or other risk-sharing instruments as long as these instruments address specific market needs.
- Net revenue generating operations and private public partnerships, as set out in [11027/12 ADD 3 REV 1](#). This part of the partial general approach applies to operations which generate net revenue after their completion such as the construction of infrastructure (e.g. roads) for the use of which charges are levied. The Council agreed to reduce the eligible expenditure of a project to be co-financed by the EU by taking into account the project's potential to generate net revenue. The partial general approach also includes provisions on the use of the five funds covered by the CSF to support operations implemented within a private public partnership.
- Performance framework, as set out in [11027/12 ADD 4 REV 1](#). This includes provisions setting out the rules on the possibility of suspension and cancellation of funds in case of serious underachievement in meeting certain targets.

¹ European Regional Development Fund (ERDF), European Social Fund (ESF), Cohesion Fund (CF), European Agricultural Fund for Rural Development (EAFRD) and European Maritime and Fisheries Fund (EMFF).

As regards the question whether the link between the EU strategy for jobs and growth on one hand and cohesion policy on the other should be assured through country-specific recommendations or national reform programmes, the Danish presidency decided to await clarification on the macroeconomic conditionality within the discussion on the multiannual financial framework (MFF) 2014-2020.

Further discussions will be held at Council level in the coming months under the Cypriot Presidency with a view to reaching another partial general approach. The new cohesion policy rules are closely linked to the MFF negotiations; they are only expected to be adopted by the European Parliament and the Council once an agreement on the MFF has been reached.
