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## **NOTE**

| From:    | General Secretariat of the Council                              |
|----------|---|
| To:      | Permanent Representatives Committee                             |
| Subject: | Cohesion Policy Legislative Package 2021-2027                   |
|          | - Partial mandate for negotiations with the European Parliament |

## I. <u>INTRODUCTION</u>

1. On 29 and 30 May 2018, the Commission adopted the proposals configuring the Cohesion Policy legislative package for 2021-2027, namely the Common Provisions Regulation (CPR)<sup>1</sup>, the ERDF/Cohesion Fund Regulation (ERDF/CF)<sup>2</sup>, the European Social Fund Plus Regulation (ESF+)<sup>3</sup>, the European Territorial Cooperation (Interreg) Regulation<sup>4</sup>, as well as a Regulation for a mechanism to resolve legal and administrative obstacles in a cross-border context (ECBM)<sup>5</sup>.

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<sup>&</sup>lt;sup>1</sup> Doc. 9511/18 + ADD 1.

<sup>&</sup>lt;sup>2</sup> Doc. 9522/18 + ADD 1-2.

<sup>&</sup>lt;sup>3</sup> Doc. 9573/18 + ADD 1-2.

<sup>&</sup>lt;sup>4</sup> Doc. 9536/18 + ADD 1.

<sup>&</sup>lt;sup>5</sup> Doc. 9555/18.

- 2. The proposals of the Cohesion Policy legislative package have the common objective to strengthen the economic, social and territorial cohesion of the Union, by reducing disparities between the various EU regions, in line with Article 174 TFEU, through various Funds and policy instruments.
- 3. The <u>Committee of the Regions</u> and the <u>Economic and Social Committee</u> have been consulted on all Regulations part of the Cohesion Policy legislative package.
- 4. The <u>REGI committee</u> of the European Parliament is expected to have voted on all the proposals within its remit by the end of February 2019. The <u>EMPL committee</u> voted on the Report of the ESF+ proposal on 3 December 2018.

## II. WORK WITHIN THE COUNCIL

- 5. The proposals of the Cohesion Policy Legislative package were presented to the Structural Measures Working Party (SMWP) in June 2018 during the Bulgarian Presidency. Detailed examination of the texts took place during the Austrian Presidency, as stated in their Presidency's Report (doc. 15428/1/18 REV).
- 6. On 19 December 2018, the <u>Permanent Representatives Committee</u> took note of the Austrian Presidency report (doc.15428/1/18 REV1) on the progress made on the overall Cohesion Policy package. The report included a well-advanced compromise text, largely supported by delegations, on the articles of the Common Provisions Regulation covering conditions for eligibility and performance framework (Block 2, which also included Article 4(1) of the ESF+ Regulation) as well as on the ERDF/CF Regulation.
- 7. On 30 January, the Romanian Presidency brought the text of CPR Block 2 and the ERDF/CF Regulation to the <u>Permanent Representatives Committee</u> (doc. 5687/19 ADD1-2), putting forward an amendment to the ERDF/CF Regulation on productive investments in Article 4 of such Regulation.

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- 8. The <u>Permanent Representatives Committee</u> concluded that the Structural Measures Working Party should further re-examine the compromise package.
- 9. The Structural Measures Working Party, at its meetings on 8 and 13 February, further scrutinised the texts, with the aim at addressing the remaining concerns expressed by delegations.
- 10. Following the deliberations at working party level, the Presidency is of the view that, based on the principle that **"nothing is agreed until everything is agreed"**, a balanced compromise text has emerged from discussions amongst Member States, including:
  - Block 2 of the Common Provisions Regulation (conditions for eligibility and performance framework), including Article 4(1) (Specific Objectives) of the ESF+ Regulation, with the same wording as in the Austrian Presidency report (doc. 15428/1/18 REV1) as reflected in document 6147/19 ADD1;
  - The <u>ERDF/CF Regulation</u> containing the same wording as in the Austrian Presidency report (doc. 15428/1/18 REV1), with some additional amendments proposed by the Romanian <u>Presidency</u>, which concern:
    - The addition of three recitals meant to clarify the scope of support from the ERDF
       in the fields of district heating and cultural heritage;
    - An amendment to Article 4(1) as regards productive investments and small midcap companies;
    - An amendment to Article 6 as regards the treatment of residual waste.

Article 3 (Thematic concentration) is bracketed and thus excluded from such compromise pending further progress on the MFF discussions.

The final compromise on the ERDF/CF Regulation is reflected in document 6147/19 ADD2.

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11. The above-mentioned compromise seems acceptable to a large majority of delegations at the level of the Structural Measures Working Party.

## III. CONCLUSION

12. The <u>Permanent Representatives Committee</u> is, therefore, invited to agree on a partial mandate for negotiations with the European Parliament and confirm the compromise proposed by the Presidency as set out in documents 6147/19 ADD1-2.

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