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INFORMATION NOTE

From:	General Secretariat of the Council
To:	Permanent Representatives Committee/Council
Subject:	Proposal 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 - Outcome of the European Parliament's first reading (Strasbourg, 8 to 11 September 2025)

I. INTRODUCTION

In accordance with the provisions of Article 294 of the TFEU and the Joint declaration on practical arrangements for the codecision procedure¹, a number of informal contacts have taken place between the Council, the European Parliament and the Commission with a view to reaching an agreement on this file at first reading.

On 7 May 2025 the plenary of the European Parliament approved the request by the Committee on Regional Development (REGI) to proceed according to Rule 170 (urgent procedure).

¹ OJ C 145, 30.6.2007, p. 5.

In this context, the Chair of the Committee on Regional Development (REGI), Dragoş BENEĂ (S&D, RO), presented on behalf of REGI a compromise amendment (amendments number 77 and 78) to the abovementioned proposal for a Regulation, for which he had prepared a draft report. This amendment had been agreed during the informal contacts referred to above. In addition, The Left group tabled two amendments (amendments number 79 and 80), the group of the Greens/EFA tabled seven amendments (amendments number 81 and 83 to 88) and the Renew Europe group tabled three amendments (amendments number 82, 89 and 90).

II. VOTE

When it voted on 10 September 2025, the plenary adopted the compromise amendment (amendments number 77 and 78) to the abovementioned proposal for a Regulation. No other amendments were adopted. The Commission's proposal as thus amended constitutes the Parliament's first-reading position which is contained in its legislative resolution as set out in the Annex hereto².

The Parliament's position reflects what had been previously agreed between the institutions. The Council should therefore be in a position to approve the Parliament's position.

The act would then be adopted in the wording which corresponds to the Parliament's position.

² The version of the Parliament's position in the legislative resolution has been marked up to indicate the changes made by the amendments to the Commission's proposal. Additions to the Commission's text are highlighted in ***bold and italics***. The symbol "■" indicates deleted text.

P10_TA(2025)0177

Amending ERDF, Cohesion Fund and Just Transition Fund as regards specific measures to address strategic challenges in the context of the mid-term review

European Parliament legislative resolution of 10 September 2025 on the proposal 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 (COM(2025)0123 – C10-0063/2025 – 2025/0084(COD))

(Ordinary legislative procedure: first reading)

The European Parliament,

- having regard to the Commission proposal to Parliament and the Council (COM(2025)0123),
- having regard to Article 294(2) and Article 175, 177, 178 and 322 of the Treaty on the Functioning of the European Union, pursuant to which the Commission submitted the proposal to Parliament (C10-0063/2025),
- having regard to Article 294(3) of the Treaty on the Functioning of the European Union,
- having regard to the budgetary assessment by the Committee on Budgets,
- having regard to the opinion of the European Economic and Social Committee of 29 April 2025¹,
- having regard to the opinion of the Committee of the Regions of 15 May 2025²,
- having regard to the provisional agreement approved by the committee responsible under Rule 75(4) of its Rules of Procedure and the undertaking given by the Council representative by letter of 23 July 2025 to approve Parliament's position, in accordance with Article 294(4) of the Treaty on the Functioning of the European Union,
- having regard to Rules 60 and 58 of its Rules of Procedure,
- having regard to the opinion of the Committee on Security and Defence,
- having regard to the letters from the Committee on the Environment, Climate and Food Safety and the Committee on Transport and Tourism,

¹ OJ C, C/2025/3197, 2.7.2025, ELI: <http://data.europa.eu/eli/C/2025/3197/oj>.

² OJ C, C/2025/3474, 16.7.2025, ELI: <http://data.europa.eu/eli/C/2025/3474/oj>.

- having regard to the report of the Committee on Regional Development (A10-0129/2025),
- 1. Adopts its position at first reading hereinafter set out;
- 2. Takes note of the statement by the Commission annexed to this resolution, which will be published in the C series of the Official Journal of the European Union;
- 3. Calls on the Commission to refer the matter to Parliament again if it replaces, substantially amends or intends to substantially amend its proposal;
- 4. Instructs its President to forward its position to the Council, the Commission and the national parliaments.

Position of the European Parliament adopted at first reading on 10 September 2025 with a view to the adoption of Regulation (EU) 2025/... 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

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Articles 175, 177, 178 and 322 thereof,

Having regard to the proposal from the European Commission,

After transmission of the draft legislative act to the national parliaments,

Having regard to the opinion of the European Economic and Social Committee¹,

Having regard to the opinion of the Committee of the Regions²,

Acting in accordance with the ordinary legislative procedure³,

¹ OJ C, C/2025/3197, 2.7.2025, ELI: <http://data.europa.eu/eli/C/2025/3197/oj>.

² OJ C, C/2025/3474, 16.7.2025, ELI: <http://data.europa.eu/eli/C/2025/3474/oj>.

³ Position of the European Parliament of 10 September 2025.

Whereas:

- (1) In recent years, geopolitical dynamics have been marked by profound uncertainty, necessitating a fundamental re-evaluation of the Union's strategic autonomy **and** resilience and ***the safeguarding of democratic principles and the rule of law*** alongside the challenges stemming from the green, social and technological transitions. Those simultaneous transitions demonstrate the urgent need to close the innovation gap, to accelerate decarbonisation efforts, to reinforce economic competitiveness and to reduce external dependencies, by diversifying supply chains, scaling up domestically produced green energy, and investing in critical sectors.
- (2) As the Union's main investment instrument within the multiannual financial framework, cohesion policy ■ drives targeted investments that contribute to economic, social and territorial cohesion, ***as set out in Article 3(3) of the Treaty on the European Union (TEU) and Article 174 of the Treaty on the Functioning of the European Union (TFEU)***, while at the same time addressing emerging challenges. ***Moreover, the mid-term review is committed to the partnership principle and the principle of multi-level governance to safeguard an effective, regional and citizen-centred implementation of cohesion policy. Therefore, any reallocation under the mid-term review should be carried out in accordance with the European code of conduct on partnership⁴.***

⁴ Commission Delegated Regulation (EU) No 240/2014 of 7 January 2014 on the European code of conduct on partnership in the framework of the European Structural and investment Funds OJ L 74, 14.3.2014, p. 1, ELI: http://data.europa.eu/eli/reg_del/2014/240/oj).

- (3) The legal framework for cohesion policy programmes provides for a mid-term review in 2025, which offers a timely and unique opportunity to refocus programmes on addressing new challenges and opportunities, to accelerate implementation and to increase their effectiveness to respond to both old and new Union priorities, *without prejudice to other Union legal acts or to the next multiannual financial framework.*
- (4) *In light of the importance of horizontal enabling conditions applicable to all specific objectives and the criteria necessary for the assessment of their fulfilment, within the meaning of Article 15(1), second subparagraph, of and Annex III to Regulation (EU) 2021/1060 of the European Parliament and of the Council⁵ for the effective and efficient use of the overall Union support granted by those Union Funds and the need to ensure the practical effect of those Union Funds, the amounts exceeding the flexibility amount referred to in Article 86(1), second subparagraph, of that Regulation, which correspond to specific objectives that are subject to a negative assessment by the Commission on the basis of the application of those horizontal enabling conditions should not be subject to a programme amendment or transfer on the basis of the new priorities and flexibility provided for in the amending provisions set out in this Regulation.*

⁵ Regulation (EU) 2021/1060 of the European Parliament and of the Council of 24 June 2021 laying down common provisions on the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, the Just Transition Fund and the European Maritime, Fisheries and Aquaculture Fund and financial rules for those and for the Asylum, Migration and Integration Fund, the Internal Security Fund and the Instrument for Financial Support for Border Management and Visa Policy (OJ L 231, 30.6.2021, p. 159, ELI: <http://data.europa.eu/eli/reg/2021/1060/oj>).

Such a proportionate measure constitutes a necessary incentive, intended to ensure that Member State law and practice continues to comply with the horizontal enabling conditions and that the expenditure covered by the Union Funds meets the Union's objectives. Since Regulation (EU, Euratom) 2020/2092 of the European Parliament and of the Council⁶ is of horizontal application, the same requirement should apply to the amounts corresponding to commitments suspended by measures adopted on the basis of that Regulation. Amounts within the flexibility amount referred to in Article 86(1), second subparagraph, of Regulation (EU) 2021/1060 and corresponding to the specific objectives subject to a negative assessment by the Commission on the basis of the application of the horizontal enabling conditions can be subject to a programme amendment or transfer on the basis of new priorities, provided that such new priorities comply with the objectives pursued by the horizontal enabling conditions.

⁶ Regulation (EU, Euratom) 2020/2092 of the European Parliament and of the Council of 16 December 2020 on a general regime of conditionality for the protection of the Union budget (OJ L 433 I, 22.12.2020, p. 1, ELI: <http://data.europa.eu/eli/reg/2020/2092/oj>).

- (5) In its communication of 29 January 2025 entitled ‘A Competitiveness Compass for the EU’ as well as its communication of 26 February 2025 entitled ‘The Clean Industrial Deal: A joint roadmap for competitiveness and decarbonisation’ and the accompanying Action Plan for Affordable Energy, the Commission presented a concrete path for Europe to regain its competitiveness and secure sustainable prosperity. The European Regional Development Fund (ERDF) and the Cohesion Fund, established by Regulation (EU) 2021/1058 of the European Parliament and of the Council⁷, already support investments to climate objectives as laid down in Regulation (EU) 2021/1060. However, Member States should step up their efforts in order to ensure that decarbonisation is a driver for growth for European industries and the prosperity of European citizens by, inter alia, scaling up support for clean technology and the transition to clean energy, investing in energy infrastructure projects that can ensure a true Energy Union, and supporting decarbonisation of production processes and products.

⁷ Regulation (EU) 2021/1058 of the European Parliament and of the Council of 24 June 2021 on the European Regional Development Fund and on the Cohesion Fund (OJ L 231, 30.6.2021, p. 60, ELI: <http://data.europa.eu/eli/reg/2021/1058/oj>).

- (6) In light of the unprecedented geopolitical instability and the need for the Union to ensure its own defence ***and civil preparedness***, cohesion policy funding should be swiftly mobilised to directly support investments in defence capabilities ***and civil security***. It is therefore necessary to create new specific objectives for support from the ERDF and the Cohesion Fund to finance industrial capacities in the defence sector and to allow for investments in resilient defence or dual-use infrastructure, ***including*** with a view to fostering military mobility ***and enhancing civil preparedness including cyber and civil security that are not necessarily related to mobility***, in line with the scope of those funds ***and the 'do no significant harm' principle and in cooperation with regional and local authorities. In addition, it should be possible to support civil preparedness as part of territorial and local development strategies***. Industrial capacities to foster defence capabilities should relate to the technological development and production of defence products and other products for defence purposes, as defined in Council Regulation (EU) 2025/1106¹, in particular those referred to in Article 1 of that Regulation.

¹ Council Regulation (EU) 2025/1106 of 27 May 2025 establishing the Security Action for Europe (SAFE) through the Reinforcement of the European Defence Industry Instrument (OJ L, 2025/1106, 28.5.2025, ELI: <http://data.europa.eu/eli/reg/2025/1106/oj>).

Member States are encouraged to use the possibility provided for in the current legal framework to voluntarily transfer resources allocated to them under shared management to directly managed programmes with defence and security objectives. In that context, transfers to the military mobility envelope under the Connecting Europe Facility (CEF) would ensure coordinated interventions along the military mobility corridors referred to in the Joint White Paper of the High Representative for Foreign Affairs and Security Policy and the Commission of 19 March 2025 on European Defence– Readiness 2030. ***When supporting such investments, Member States are to consider, where applicable, the eligibility criteria set out in Article 9 of Regulation (EU) 2021/697 of the European Parliament and of the Council², the eligibility rules set out in Article 16 of Regulation (EU) 2025/1106, or the relevant provisions of European defence industry programmes. Investments in dual-use infrastructure and capacities should be prioritised.***

² Regulation (EU) 2021/697 of the European Parliament and of the Council of 29 April 2021 establishing the European Defence Fund and repealing Regulation (EU) 2018/1092 (OJ L 170, 12.5.2021, p. 149, ELI: <http://data.europa.eu/eli/reg/2021/697/oj>).

- (7) *Particular attention and exceptional support should be dedicated to the Union's Eastern border regions neighbouring Russia, Belarus and Ukraine, given their unique security challenges and geopolitical significance. Those regions are particularly exposed to external threats, including hybrid attacks. Strengthening local defence capabilities and community resilience in those regions is essential not only to deter potential aggression and safeguard European security, but also to support regional development, promote social cohesion, generate employment, and improve living conditions.*
- (8) *In the allocation and implementation of cohesion policy resources directed towards defence-related objectives, Member States should prioritise projects that promote employment, skills development and industrial diversification at regional level. Particular emphasis should be placed on supporting small and medium-sized enterprises (SMEs) and regional clusters active in dual-use technologies, cybersecurity and artificial intelligence, ensuring that such investments serve the Union's strategic interests and the objective of economic, social and territorial cohesion.*

- (9) *Investments in upgrading transport networks to meet military requirements also deliver significant benefits for civilian mobility, economic connectivity and crisis response capacities within the Union. Such investments improve cross-border infrastructure, reduce bottlenecks, enhance preparedness and contribute to the resilience of regions and critical supply chains. Furthermore, transport hubs enabling the rapid deployment of emergency services and the distribution of essential supplies, contribute significantly to the continuity of vital functions and national security.*
- (10) Furthermore, in order to quickly inject liquidity to cover the most pressing needs, for investments in enhanced defence capabilities *and infrastructure by, in particular, prioritising capabilities and infrastructure of a dual-use nature, and civil preparedness*, additional financing possibilities should be offered. In particular, it is necessary to provide for additional one-off pre-financing of **20** % of the amounts programmed under *such* dedicated priorities ■ under the relevant policy objectives of the ERDF and the Cohesion Fund and the possibility of applying a *higher* Union co-financing rate ■ .

- (11) The ERDF and the Cohesion Fund can, within their respective scope of support, already provide support for investments that contribute to the objectives of the Strategic Technologies for Europe Platform (STEP) established by Regulation (EU) 2024/795 of the European Parliament and of the Council³, which aims to strengthen Europe's technological leadership. In order to provide further incentives for investments from the ERDF and the Cohesion Fund in those critical fields, the limitation for the overall contribution of the ERDF and the Cohesion Fund to those priorities should be removed and the possibility for Member States to receive a higher pre-financing for related programme amendments should be extended. ***The priorities which support investments contributing to STEP objectives under a request for a programme amendment that was submitted to the Commission by 31 March 2025 are to receive the exceptional one-off pre-financing applicable at the time of the submission of that request.*** Furthermore, the possibilities for the financing of productive investments contributing to STEP objectives in enterprises other than SMEs should apply to all ***Member States and regions with a GDP per capita below the EU-27 average, while preserving a focus on SMEs.***

³ Regulation (EU) 2024/795 of the European Parliament and of the Council of 29 February 2024 establishing the Strategic Technologies for Europe Platform (STEP), and amending Directive 2003/87/EC and Regulations (EU) 2021/1058, (EU) 2021/1056, (EU) 2021/1057, (EU) No 1303/2013, (EU) No 223/2014, (EU) 2021/1060, (EU) 2021/523, (EU) 2021/695, (EU) 2021/697 and (EU) 2021/241 (OJ L, 2024/795, 29.2.2024, ELI: <http://data.europa.eu/eli/reg/2024/795/oj>).

Such investments should also be possible in regions where they facilitate industrial adjustment linked to the digital transition, including digital capacities in cloud computing, AI and supercomputing, and the decarbonisation and circularity of production processes and products, such as in the automotive industry or energy intensive industries. In addition, the possibility provided for investments contributing to STEP objectives to finance productive investments in enterprises other than SMEs from the Just Transition Fund (JTF) established by Regulation (EU) 2021/1056 of the European Parliament and of the Council⁴ should be extended to all investments, ***while preserving a focus on SMEs, where such investments are necessary for, inter alia, the implementation of the just transition plan and for job creation.***

⁴ Regulation (EU) 2021/1056 of the European Parliament and of the Council of 24 June 2021 establishing the Just Transition Fund (OJ L 231, 30.6.2021, p. 1, ELI: <http://data.europa.eu/eli/reg/2021/1056/oj>).

- (12) In order to enhance energy security, accelerate the energy transition and promote clean mobility, investments under STEP and the Alternative Fuels Infrastructure Facility provided for by Regulation (EU) 2023/1804 of the European Parliament and of the Council⁵ should be complemented by creating a new specific objective for the ERDF and the Cohesion Fund under policy objective 2 to promote energy interconnectors and related transmission, *distribution, storage and supporting* infrastructure, *as well as to protect and safeguard that infrastructure and to enhance* the deployment of charging infrastructure. *Supporting energy infrastructure refers to any facilities, equipment, and systems that support the interconnection of Member States' transmission systems by enabling the generation, transmission, distribution, and storage of energy.* In order to accelerate investments in those fields, priorities dedicated to that specific objective should benefit from additional one-off pre-financing of **20** % of the amounts programmed under those priorities and from the possibility of applying a **higher** Union co-financing rate **1** . Managing authorities are expected to aim to leverage a maximum amount of private finance, where relevant. That enhanced investment effort will enable energy-intensive sectors to access more stable and diverse energy sources in a less fragmented internal energy market, buttressing their sustainability and competitiveness. Moreover, expanding the ERDF's support for decarbonisation projects allows energy-intensive industries to prioritise high-impact innovations that are aligned with the Union's climate objectives.

⁵ Regulation (EU) 2023/1804 of the European Parliament and of the Council of 13 September 2023 on the deployment of alternative fuels infrastructure, and repealing Directive 2014/94/EU (OJ L 234, 22.9.2023, p. 1, ELI: <http://data.europa.eu/eli/reg/2023/1804/oj>).

- (13) Important projects of common European interest (IPCEIs), namely projects that support and promote large-scale, cross-border projects that are considered to be essential for the economic growth, innovation, and competitiveness of the Union, are deemed to be compatible with the internal market where they enable cross-European cooperation for innovative technologies or pan-European infrastructures. To help accelerate the design of new and the implementation of existing IPCEIs, support from the ERDF for investments in projects participating in an IPCEI which the Commission has found to be compatible with the internal market pursuant to Article 107(3), point (b), TFEU having taken into account the Commission communication of 25 November 2021 entitled ‘Criteria for the analysis of the compatibility with the internal market of State aid to promote the execution of important projects of common European interest’, should be allowed in all categories of regions. Furthermore, operations contributing to an IPCEI approved by the Commission should benefit from simplified selection procedures.

- (14) Affordable ***and sustainable*** housing is another challenge that has come to the forefront due to the significant increase in prices and rents in recent years. ***Disadvantaged groups and low-income and middle-income families are particularly affected and face more difficulties in accessing housing and a growing risk of homelessness.*** With a view to providing incentives for Member States and regions to double investments from the ERDF and the Cohesion Fund, within their respective scope of support, in the construction and renovation of the affordable ***and sustainable*** housing stock, including social housing, new specific objectives should be created under different policy objectives to provide flexibility for the programming of housing interventions under dedicated priorities, ***while acknowledging that the definition of affordability can vary according to the circumstances of each Member State.*** Such priorities should ***be compatible with Directive (EU) 2024/1275 of the European Parliament and of the Council⁶*** and should entail the possibility of applying a ***higher*** Union co-financing rate ■ and of an additional one-off pre-financing of ***20 %*** of the amounts programmed in order to alleviate the burden on public budgets ***in all categories of regions.*** For example, investments under the ***principles and values of*** the ‘New European Bauhaus’ initiative should make full use of those new possibilities. Costs resulting from the temporary renting of alternative accommodation for the occupants during the time of the renovation can also be eligible for support under such priorities ■ . It is also appropriate to clarify the support of the JTF in that context.

⁶ Directive (EU) 2024/1275 of the European Parliament and of the Council of 24 April 2024 on the energy performance of buildings (OJ L, 2024/1275, 8.5.2024, ELI: <http://data.europa.eu/eli/dir/2024/1275/oj>).

- (15) Water has a vital role as a resource for the security of food, energy and economic systems. Its role as a resource is also a key aspect of ensuring climate resilience. Given the challenges posed by the impact of climate change on water resources, further investments in water resilience should be encouraged. The implementation of water and marine protection legislation should be enhanced, water efficiency should be improved, water scarcity should be addressed, and progress towards a water-resilient Europe should be made, urgently. That implementation requires significant investments, ***including in water reuse for non-agricultural purposes, blue biotechnology, infrastructure for addressing water stress and drought prevention, the deployment of nature-based solutions, the ecological restoration of freshwater ecosystems, and the improvement of wastewater treatment. For populations living in regions particularly affected by water scarcity, desalination, if carried out in a sustainable manner, as referred to in the Commission communication of 4 June 2025 entitled ‘European Water Resilience Strategy’, can also play a key role in ensuring secure access to water and should therefore be eligible for support.*** It is therefore appropriate to include a reference to secure access to water, sustainable water management, ***including integrated water management***, and water resilience in the ■ specific objective under policy objective 2 to allow for proactive, risk-based management and increased preparedness. ***New*** dedicated priorities established for that specific objective should also benefit from additional one-off pre-financing of ***20*** % of the amounts programmed and the possibility of a ***higher*** co-financing rate ■ in order to provide incentives for crucial investments in that field.

It should also be possible to provide support from the JTF for water-related investments where such investments address acute water stress, enhance climate resilience, and support the transition to a sustainable and diversified local economy, even when not directly linked to land restoration projects.

- (16) In order to enable Member States to carry out meaningful reprogramming in the context of the mid-term review and to focus resources on those new strategic Union priorities, additional restrictions should be lifted. As regards thematic concentration requirements, it is appropriate to allow Member States to count amounts programmed for new strategic priorities, ***regardless of whether Member States comply with thematic concentration at national level or at the level of category of region***, including those contributing to STEP objectives, towards the amounts required to ensure compliance with thematic concentration requirements. The flexibility with regard to thematic concentration requirements should be accompanied by some flexibility regarding the calculation of the climate contribution for the ERDF and the Cohesion Fund pursuant to Article 6 of Regulation (EU) 2021/1060, while respecting the overall requirements of that Article. In addition, ■ Member States should also be given the possibility of contributing resources from the ERDF and the Cohesion Fund to the Member State compartment of the InvestEU Fund established by Regulation (EU) 2021/523 of the European Parliament and of the Council⁷ to deploy them through the financial instrument provided for in the InvestEU Programme.

⁷ Regulation (EU) 2021/523 of the European Parliament and of the Council of 24 March 2021 establishing the InvestEU Programme and amending Regulation (EU) 2015/1017 (OJ L 107, 26.3.2021, p. 30, ELI: <http://data.europa.eu/eli/reg/2021/523/oj>).

Finally, in order to allow for a comprehensive reprogramming towards the new strategic priorities in the context of the mid-term review, Member States should benefit from additional time to complement their assessment of the outcome of the mid-term review and their submission of related programme amendments. That additional time for reprogramming should also apply to JTF resources where they are included in a programme together with ERDF and Cohesion Fund resources *or* resources *of the European Social Fund Plus (ESF+)* established by Regulation (EU) 2021/1057 of the European Parliament and of the Council⁸. *Amendments to programmes under the European territorial cooperation goal (Interreg) are submitted in accordance with Article 19 of Regulation (EU) 2021/1059 of the European Parliament and of the Council*⁹.

⁸ Regulation (EU) 2021/1057 of the European Parliament and of the Council of 24 June 2021 establishing the European Social Fund Plus (ESF+) and repealing Regulation (EU) No 1296/2013 (OJ L 231, 30.6.2021, p. 21, ELI: <http://data.europa.eu/eli/reg/2021/1057/oj>).

⁹ Regulation (EU) 2021/1059 of the European Parliament and of the Council of 24 June 2021 on specific provisions for the European territorial cooperation goal (Interreg) supported by the European Regional Development Fund and external financing instruments (OJ L 231, 30.6.2021, p. 94, ELI: <http://data.europa.eu/eli/reg/2021/1059/oj>).

- (17) In order to accelerate the implementation of cohesion policy programmes more generally and inject the necessary liquidity for key investments to be implemented, additional one-off pre-financing for the ERDF and the Cohesion Fund should be paid for programmes under both the Investment for jobs and growth goal and under Interreg when the reprogramming concerns a substantial share of the overall programme. The pre-financing percentage should be further increased for certain programmes under the Investment for jobs and growth goal covering one or more NUTS level 2 regions bordering Russia, Belarus or Ukraine, given the adverse impact on those regions of the Russian war of aggression against Ukraine. In order to encourage re-programming towards key priorities in the context of the mid-term review, the additional one-off pre-financing should be available only where a certain threshold for the reallocation of financial resources to specific crucial priorities is reached in that context.

- (18) To take account of the time needed to refocus investments in the context of the mid-term review and allow best use of available resources, the final date for the eligibility of expenditure and the decommitment rules should be adjusted for programmes that carry out a reallocation of resources to strategic priorities in the context of the mid-term review exercise. It should also be possible to apply a **higher** co-financing rate ■ to priorities in programmes under the Investment for jobs and growth goal covering one or more NUTS level 2 regions bordering Russia, Belarus or Ukraine, **taking into account** the adverse impact on those regions of the Russian war of aggression against Ukraine **and with due regard to the need for timely closure, the commencement of new programmes and the full absorption of programme funding**.
- (19) The mid-term review should also be used to reinforce the crucial role of cities **and functional urban areas** in delivering many Union objectives by giving Member States the possibility, **in close cooperation with the regional and local authorities and keeping in mind the regional specificities and the scope of the cohesion policy**, of reallocating financial resources from the ERDF to reinforce the European Urban Initiative referred to in Article 12 of Regulation (EU) 2021/1058. In addition, in order to facilitate the uptake of key innovative actions identified under the European Urban Initiative, such actions should benefit from a simplified selection procedure for support under cohesion policy programmes. To enhance flexibility in the use of resources, Member States should also be provided with the possibility of reallocating ERDF resources from their programmes under the Investment for jobs and growth goal to the Interregional Innovation Investment Instrument referred to in Article 13 of Regulation (EU) 2021/1058.

- (20) In order to simplify delivery and accelerate investments, it is appropriate to make additional targeted changes to the regulatory framework governing the use of the JTF. In particular, the possibility for a simplified selection procedure for operations that have been attributed a Seal of Excellence should be extended to the JTF. Furthermore, the limitations for the revision of targets should be removed in order to provide for the necessary flexibility in the context of changing implementation circumstances.
- (21) ***To support Member States in their swift and correct reprogramming, the Commission should provide timely and clear technical clarifications and support to managing authorities, including through a structured system, by answering technical, legal and procedural questions, in particular with regard to measures introduced by this Regulation.***
- (22) Since the objectives of this Regulation, namely to refocus investments on critical priorities in the context of the mid-term review and to simplify and accelerate policy delivery by amending Regulations (EU) 2021/1058 and (EU) 2021/1056, cannot be sufficiently achieved by the Member States but can rather, by reason of its scale and effects, be better achieved at Union level, the Union may adopt measures, in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty on European Union. In accordance with the principle of proportionality as set out in that Article, this Regulation does not go beyond what is necessary in order to achieve those objectives.

- (23) Regulations (EU) 2021/1058 and (EU) 2021/1056 should therefore be amended accordingly.
- (24) Given the urgent need to enable crucial investments, in particular in defence capabilities in the context of pressing geopolitical challenges, this Regulation should enter into force on the day following that of its publication in the *Official Journal of the European Union*,

HAVE ADOPTED THIS REGULATION:

Article 1
Amendments to Regulation (EU) 2021/1058

Regulation (EU) 2021/1058 is amended as follows:

(1) Article 3 is amended as follows:

(a) paragraph 1 is amended as follows:

(i) in point (a), the following point is added:

‘(vii) enhancing industrial capacities to foster ■ defence capabilities,
prioritising capabilities of a dual-use nature.’;

(ii) point (b) is amended as follows:

(1) point (v) is replaced by the following:

‘(v) promoting secure access to water, sustainable water management, *including integrated water management*, and water resilience.’;

(2) the following points are added:

‘(xi) promoting access to affordable *and sustainable* housing ■ ;

(xii) promoting energy interconnectors and related transmission, *distribution, storage and supporting* infrastructure, *as well as the protection of critical energy infrastructure* and the deployment of recharging infrastructure.’;

(iii) in point (c), the following point is added:

‘(iii) developing resilient defence ■ infrastructure, *prioritising that of a dual-use nature, including* to foster military mobility in the Union, *as well as enhancing civil preparedness.*’;

(iv) in point (d), the following point is added:

‘(vii) promoting access to affordable *and sustainable* housing ■ .’;

(v) in point (e), first subparagraph, the following points are added:

‘(iii) fostering integrated territorial development, through access to affordable *and sustainable* housing ■ in all types of territories;

(iv) *ensuring civil preparedness in all types of territories.*’;

(vi) the following subparagraph is added:

‘Operations supported under the specific objective set out in the first subparagraph, point (c)(iii), *fostering military mobility* shall *primarily* focus, where relevant, on one or more of the four Priority Military Mobility Corridors identified by Member States in Annex II to the Military Requirements for Military Mobility within and beyond the EU as adopted by the Council on 18 March 2025. Supported operations which are part of those Corridors shall comply with the infrastructure requirements laid down in implementing acts based on Article 12(2) of Regulation (EU) 2021/1153 of the European Parliament and of the Council*.

* Regulation (EU) 2021/1153 of the European Parliament and of the Council of 7 July 2021 establishing the Connecting Europe Facility and repealing Regulations (EU) No 1316/2013 and (EU) No 283/2014 (OJ L 249, 14.7.2021, p. 38, ELI: <http://data.europa.eu/eli/reg/2021/1153/oj>).’;

- (b) in paragraph 1a, the first and second subparagraphs are replaced by the following:

‘The resources under the specific objective referred to in paragraph 1, first subparagraph, points (a)(vi) and (b)(ix), shall be programmed under dedicated priorities corresponding to the relevant policy objective.

Where a programme amendment is submitted to the Commission by 31 December 2025, the Commission shall pay **20 %** of the allocation to such dedicated priorities as set out in the decision approving the programme amendment as exceptional one-off pre-financing in addition to the yearly pre-financing for the programme provided for in Article 90(1) and (2) of Regulation (EU) 2021/1060 or in Article 51(2), (3) and (4) of Regulation (EU) 2021/1059 of the European Parliament and of the Council*.

Where such dedicated priorities have been included in a programme amendment submitted to the Commission by 31 March 2025, the Commission shall pay exceptional one-off pre-financing of 30 % of the allocation to those priorities as set out in the decision approving the programme amendment. The exceptional one-off pre-financing shall be paid within 60 days of the adoption of the Commission decision approving the programme amendment.

* Regulation (EU) 2021/1059 of the European Parliament and of the Council of 24 June 2021 on specific provisions for the European territorial cooperation goal (Interreg) supported by the European Regional Development Fund and external financing instruments (OJ L 231, 30.6.2021, p. 94, ELI: <http://data.europa.eu/eli/reg/2021/1059/oj>).’;

(c) the following paragraph is inserted:

- ‘1c. The resources under the specific objectives referred to in paragraph 1, first subparagraph, point (a)(vii), points (b)(v), (xi) and (xii), point (c)(iii), point (d)(vii) and points (e)(iii) and **(iv)**, shall be programmed under dedicated priorities corresponding to the relevant policy objective.

Where a programme amendment is submitted to the Commission by 31 December 2025, the Commission shall pay **20** % of the allocation to such dedicated priorities as set out in the decision approving the programme amendment as exceptional one-off pre-financing in addition to the yearly pre-financing for the programme provided for in Article 90(1) and (2) of Regulation (EU) 2021/1060 **and in Article 51(2), (3) and (4) of Regulation (EU) 2021/1059**. The exceptional one-off pre-financing shall be paid within 60 days of the adoption of the Commission decision approving the programme amendment.

The amount paid as exceptional one-off pre-financing shall, pursuant to Article 90(5) of Regulation (EU) 2021/1060, be cleared from the Commission accounts no later than with the final accounting year.

Any interest generated by such exceptional one-off pre-financing shall, pursuant to Article 90(6) of Regulation (EU) 2021/1060, be used for the programme concerned in the same way as the ERDF *or the Cohesion Fund* and be included in the accounts for the final accounting year.

Pursuant to Article 97(1) of Regulation (EU) 2021/1060, such exceptional one-off pre-financing shall not be suspended.

The pre-financing to be taken into account for the purpose of calculating amounts to be decommitted shall, pursuant to Article 105(1) of Regulation (EU) 2021/1060, include any exceptional one-off pre-financing paid.

By way of derogation from Article **112(3) and (4)** of Regulation (EU) 2021/1060, the maximum co-financing rate for dedicated priorities established to support the specific objectives referred to in paragraph 1, first subparagraph, point (a)(vii), points (b)(v), (xi) and (xii), point (c)(iii), point (d)(vii) and points (e)(iii) and **(iv)**, of this Article shall be ***increased by 10 percentage points above the co-financing rate applicable, not exceeding 100 %.***;

(d) paragraph 3 is replaced by the following:

‘3. The Cohesion Fund shall support PO 2 and 3, including the specific objectives set out in paragraph 1, first subparagraph, points (b)(x), (xi) and (xii) and point (c)(iii), of this Article, insofar as such support is in line with the scope of support as set out in Articles 6 and 7.’; ■

(e) *the following paragraph is added:*

‘5. By way of derogation from Article 49(3) of Regulation (EU) 2021/1060, for operations supported under the specific objectives referred to in paragraph 1, first subparagraph, points (a)(vii) and (c)(iii), of this Article, the Member State concerned shall not be required to make the data relating to those operations publicly available where such disclosure is not permitted for reasons of security or public order pursuant to Article 69(5) of Regulation (EU) 2021/1060. To that end, Member States shall inform the Commission before selecting the operation concerned for support. This subparagraph is without prejudice to the rights of the Commission and of the European Court of Auditors to access the information necessary to perform their functions in relation to verifications and audits and the European Parliament’s duty to exercise political control pursuant to Article 14 TEU and monitor the implementation of the Union budget pursuant to Article 319 TFEU.

Beneficiaries shall not be subject to the requirements set out in Article 50(1), points (c), (d) and (e), of Regulation (EU) 2021/1060 for operations linked to the specific objectives referred to in paragraph 1, points (a)(vii) and (c)(iii), of this Article where the public display of information on the support or the organisation of a communication event or activity is not required for reasons of security or public order pursuant to Article 69(5) of Regulation (EU) 2021/1060.

The Commission shall inform the European Parliament at least once a year of the number of operations that are the subject of the derogation provided for in the second subparagraph, as well as their total cost, in an aggregated manner, with due regard to confidentiality requirements.’;

(2) in Article 4, paragraph 10 is replaced by the following:

‘10. The thematic concentration requirements set out in paragraph 6 of this Article shall be complied with throughout the entire programming period, including when ERDF allocations are transferred between priorities of a programme or between programmes and at the mid-term review in accordance with Article 18 of Regulation (EU) 2021/1060. Where a Member State submits a request for an amendment of a programme in accordance with Article 24 of Regulation (EU) 2021/1060, amounts programmed for the specific objectives referred to in Article **3(1), first subparagraph**, points (a)(vi) and (b)(ix) of this Regulation, as well as for the specific objectives referred to in Article **3(1), first subparagraph**, point (a)(vii), points (b)(v), (xi), and (xii), point (c)(iii), point (d)(vii) and points (e)(iii) and **(iv)**, of this Regulation, may be counted towards either the amounts required for PO 1 or PO 2 or divided between the two.

Where a Member State complies with the thematic concentration requirements at the level of category of regions, amounts programmed for the specific objectives referred to in Article 3(1), first subparagraph, points (a)(vi) and (b)(ix), as well as for the specific objectives referred to in Article 3(1), first subparagraph, point (a)(vii), points (b)(v), (xi), and (xii), point (c)(iii), point (d)(vii) and points (e)(iii) and (iv), which exceed the thresholds for thematic concentration for a category of region, may be counted towards the thematic concentration thresholds in other categories of regions within the same policy objective.

This paragraph shall apply solely when transferring allocations for the specific objectives referred herein from more developed regions or transition regions to less developed regions and from more developed regions to transition regions.’;

(3) Article 5 is amended as follows:

(a) paragraph 2 is amended as follows:

(i) the first subparagraph is amended as follows:

(1) point (e) is replaced by the following:

‘(e) when they contribute to the specific objectives under PO 1 set out in Article 3(1), first subparagraph, points (a)(vi) and (vii), or to the specific objective under PO 2 set out in Article 3(1), first subparagraph, point (b)(ix), ***in less developed and transition regions, as well as in more developed regions of Member States whose average GDP per capita is below the EU-27 average measured in purchasing power standards and calculated on the basis of Union figures for the period 2015-2017, while preserving a focus on SMEs;***’;

(2) the following points are added:

‘(f) when they contribute to an important project of common European interest which the Commission has found to be compatible with the internal market pursuant to Article 107(3), point (b), TFEU having taken into account the Commission communication of 25 November 2021 entitled ‘Criteria for the analysis of the compatibility with the internal market of State aid to promote the execution of important projects of common European interest’, while ***preserving a focus*** on SMEs;

- (g) where they facilitate industrial adjustment linked to the decarbonisation of production processes and products *in less developed and transition regions, as well as in more developed regions of Member States whose average GDP per capita is below the EU-27 average measured in purchasing power standards and calculated on the basis of Union figures for the period 2015-2017, while preserving a focus on SMEs.*’;
- (ii) the second subparagraph is *replaced by the following*;
- ‘Points (e) and (g) of the first subparagraph shall apply to Interreg programmes where the geographical coverage of the programme within the Union consists exclusively of categories of regions set out in those points.’;*

(b) the following paragraphs are added:

‘10. In addition to the possibilities set out in Article 14 of Regulation (EU) 2021/1060, Member States may, with the agreement of the managing authorities concerned, allocate resources from the ERDF and the Cohesion Fund to the Member State compartment of the InvestEU Fund to deploy them through the financial instrument provided for in the InvestEU Programme. Such contributions shall *either* be subject to the procedures set out in Article 14 of Regulation (EU) 2021/1060 and count towards the ceilings set out in that Article, *or be counted cumulatively, provided that total transfers do not exceed EUR 50 million*. Resources generated by or attributable to the amounts contributed to the InvestEU financial instrument in accordance with Article 14 of Regulation (EU) 2021/1060 shall be made available to the Member State in accordance with the contribution agreement and shall be used for support under the same objective or objectives in the form of financial instruments or budgetary guarantees.

11. In addition to the possibilities set out in Article 73(4) of Regulation (EU) 2021/1060, for projects directly participating in an important project of common European interest which the Commission has found to be compatible with the internal market pursuant to Article 107(3), point (b), TFEU having taken into account the Commission communication of 25 November 2021 entitled ‘Criteria for the analysis of the compatibility with the internal market of State aid to promote the execution of important projects of common European interest’, the managing authority may decide to grant support from the ERDF directly, provided that such operations meet the requirements set out in Article 73(2), points (a), (b) and (g), of Regulation (EU) 2021/1060. ■

* Regulation (EU) 2021/523 of the European Parliament and of the Council of 24 March 2021 establishing the InvestEU Programme and amending Regulation (EU) 2015/1017 (OJ L 107, 26.3.2021, p. 30, ELI: <http://data.europa.eu/eli/reg/2021/523/oj>).’;

(4) the following Article is inserted:

‘Article 7a

Specific provisions linked to the mid-term review and related flexibility

1. In 2026, the Commission shall pay **1,5** % of the total support from the ERDF, the Cohesion Fund **and the Just Transition Fund (JTF)** established by Regulation (EU) 2021/1056 of the European Parliament and of the Council*, pursuant to the decision approving the programme amendment, as additional one-off pre-financing. That additional one-off pre-financing percentage shall be increased to **9,5** % for programmes under the Investment for jobs and growth goal covering one or more NUTS level 2 regions bordering Russia, Belarus or Ukraine, provided that the programme does not cover the entire territory of the Member State concerned. However, where NUTS level 2 regions bordering Russia, Belarus or Ukraine are included only in programmes covering the entire territory of the Member State concerned, the increased percentage shall also apply to such programmes.

2. The additional one off pre-financing referred to in paragraph 1 of this Article shall apply only where reallocations of at least **10** % of the financial resources of the programme to one or more of the dedicated priorities established for the specific objectives referred to in Article 3(1), first subparagraph, points (a)(vi), and (vii), points (b)(v),(ix), (xi), and (xii), point (c)(iii), point (d)(vii) and points (e)(iii) and **(iv)**, have been approved in the context of the mid-term review, provided that the request for the programme amendment is submitted to the Commission by 31 December 2025 (the '10 % threshold').

The following reallocations within the same programme shall also count towards the 10 % threshold:

- (a) reallocations from the ESF+ to one or more of the dedicated priorities established pursuant to Articles 12a, 12c and 12d of Regulation (EU) 2021/1057 in the context of the mid-term review;***
- (b) reallocations from the JTF to the dedicated priorities established to support investments contributing to STEP objectives or established for the promotion of access to affordable and sustainable housing pursuant to Regulation (EU) 2021/1056 in the context of the mid-term review;***

- (c) *reallocations from the ERDF or the Cohesion Fund to the dedicated priorities for the specific objectives referred to in Article 3(1), first subparagraph, points (a)(vi) and (b)(ix), of this Regulation or from the ESF+ to dedicated priorities established pursuant to Article 12a of Regulation (EU) 2021/1057 or from the JTF to the dedicated priorities established to support investments contributing to STEP objectives approved in programme amendments prior to the mid-term review;*
- (d) *reallocations from the ERDF or the Cohesion Fund to the priorities established for the specific objective referred to in Article 3(1), first subparagraph, point (b)(v), approved in programme amendments since 1 January 2025.*

3. *The following resources shall not be taken into account for the purpose of calculating the amount corresponding to the 10 % threshold:*
- (a) resources from the European Union Recovery Instrument referred to in Article 4 of Regulation (EU) 2021/1056;*
 - (b) the additional funding for outermost regions referred to in Article 110(1), point (e), of Regulation (EU) 2021/1060;*
 - (c) the resources reallocated to one or more of the dedicated priorities established to support the response to natural disasters pursuant to Article 12b of Regulation (EU) 2021/1057 or under the specific objective referred to in Article 3(1), point (b)(x), of this Regulation.*
4. The additional one-off pre-financing which is due to the Member State and which results from programme amendments pursuant to reallocation to the priorities referred to in paragraph 2 of this Article shall be counted as payments made in 2025 for the purpose of calculating the amounts to be decommitted pursuant to Article 105 of Regulation (EU) 2021/1060, provided that the request for the programme amendment is submitted to the Commission by 31 December 2025.

5. By way of derogation from Article 63(2) and Article 105(2) of Regulation (EU) 2021/1060, the final date for the eligibility of expenditure ■ and decommitment shall be 31 December 2030 where programme amendments reallocating at least **10** % of the financial resources of the programme to one or more of the dedicated priorities *referred to in paragraph 2* of this Article have been approved.
6. *Where a Member State has only one programme covering its entire territory and that programme is financed from the ERDF, the Cohesion Fund, the ESF+ and the JTF, the derogation referred to in paragraph 5 shall apply where at least 7 % of the financial resources of the programme are reallocated to one or more of the dedicated priorities established for the specific objectives referred to in paragraph 2.*

7. *With regard to the programmes referred to in paragraphs 5 and 6 of this Article, where Regulation (EU) 2021/1060 or one of the fund-specific Regulations establishes the final date for the purposes of the application of the performance framework, financial management, reporting and evaluation requirements, that date shall be deemed to refer to the same date in the following year. In addition, by way of derogation from Article 2, point (29), of Regulation (EU) 2021/1060, for such programmes the final accounting year shall be deemed to refer to the period from 1 July 2030 to 30 June 2031.*
8. Member States may, in requests for programme amendments submitted pursuant to Article 24 of Regulation (EU) 2021/1060, request the reallocation of ERDF resources programmed under the Investment for jobs and growth goal to the European Urban Initiative and to the Interregional Innovation Investments Instruments referred to, respectively, in Articles 12 and 13 of this Regulation. Reallocated resources shall be implemented for the benefit of the Member State concerned. Such reallocations shall not constitute transfers within the meaning of Article 26 of Regulation (EU) 2021/1060.
9. *In accordance with Article 40(2), point (d), and Article 8 of Regulation (EU) 2021/1060, requests for programme amendments to reallocate resources under the mid-term review shall be submitted only after approval by the monitoring committee. Where such reallocation concerns resources programmed under Article 28 of that Regulation, it shall follow consultation with the responsible local and regional authorities, in accordance with the European code of conduct on partnership.*

10. By way of derogation from Article 112(3) *and* (4) of Regulation (EU) 2021/1060, the maximum co-financing rate for priorities in programmes under the Investment for jobs and growth goal covering one or more NUTS level 2 regions bordering Russia, Belarus or Ukraine shall be *increased by 10 percentage points above the co-financing rate applicable, not exceeding* 100 %. The higher co-financing rate shall not apply to programmes covering the entire territory of the Member State concerned, unless those NUTS level 2 regions are included only in programmes covering the entire territory of the Member State concerned.

The derogation provided for in the first subparagraph of this paragraph shall apply only where reallocations of at least **10** % of the financial resources of the programme to one or more of the dedicated priorities referred to in *paragraph 2 of this Article*, have been approved, provided that the request for the programme amendment is submitted to the Commission by 31 December 2025.

11. In addition to the assessment for each programme on the outcome of the mid-term review to be submitted pursuant to Article 18(2) of Regulation (EU) 2021/1060, Member States may, **by 31 December 2025**, resubmit a complementary assessment as well as related requests for programme amendments **to the Commission**, taking into account the specific objectives referred to in Article 3(1), first subparagraph, points (a)(vi), and (vii), points (b)(v),(ix), (xi), and (xii), point (c)(iii), point (d)(vii) and points (e)(iii) and (iv). The deadlines set in Article **24** of Regulation (EU) 2021/1060 shall apply.
12. Where the climate contribution of the Cohesion Fund referred to in Article 6(1) of Regulation (EU) 2021/1060 would exceed the target of 37 % of its total allocation, the amount exceeding that target may be taken into account when calculating the climate contribution of the ERDF for the purpose of reaching the target of 30 % of its total allocation. The amounts exceeding the ERDF climate contribution target of 30 % of its total allocation may be taken into account when calculating the climate contribution of the Cohesion Fund.

* Regulation (EU) 2021/1056 of the European Parliament and of the Council of 24 June 2021 establishing the Just Transition Fund (OJ L 231, 30.6.2021, p. 1, ELI: <http://data.europa.eu/eli/reg/2021/1056/oj>).’;

(5) in Article 12, the following paragraph is added:

- ‘4. Innovative actions which have been assessed in a call for proposals under the European Urban Initiative, comply with the minimum quality requirements of that call, and cannot be financed due to budgetary constraints, may be attributed a Seal of Excellence by the Commission.

For the purposes of the Seal of Excellence, the European Urban Initiative is considered to be another Union source distinct from the programmes implemented and prepared in accordance with Article 7 of Regulation (EU) 2021/1060.’;

(6) in Annex I, Table 1 is amended as follows:

(a) in policy objective 1, the following row is added:

	‘(vii) Enhancing industrial capacities to foster defence capabilities, <i>prioritising capabilities of a dual-use nature;</i>	Any RCO listed for specific objectives (i) or (iii) RCO 128 - Enterprises supported linked primarily to foster dual use and defence capabilities (RearmEU) - enterprises	Any RCR listed for specific objectives (i) or (iii)’
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(b) in policy objective 2, the row for specific objective (v) is replaced by the following:

		RCO 30 - Length of new or upgraded pipes for the distribution systems of public water supply - km	RCR 41 - Population connected to improved public water supply - persons
	‘(v) Promoting secure access to water, sustainable water management, <i>including integrated water management</i> , and water resilience	RCO 31 - Length of new or upgraded pipes for the public network for collection of waste water - km	RCR 42 - Population connected to at least secondary public waste water treatment - persons
		RCO 32 - New or upgraded capacity for waste water treatment - population equivalent	RCR 43 - Water losses in distribution systems for public water supply - cubic metres per year’

;

(c) in policy objective 2, the following rows are added:

		RCO 18 - Affordable <i>and sustainable</i> dwellings with improved energy performance – dwellings	RCR 26 - Annual primary energy consumption (of which: affordable <i>and sustainable</i> dwellings, public buildings, enterprises, other) - MWh/year
	‘(xi) Promoting access to affordable <i>and sustainable</i> housing ■	RCO 65 - Capacity of new or modernised affordable, <i>sustainable</i> and social housing - persons ■	RCR 29 - Estimated greenhouse emissions - tonnes CO ₂ eq./year
			RCR67 Annual users of new or modernised affordable, <i>sustainable</i> and social housing - users/year

	(xii) Promoting energy interconnectors and related transmission, <i>distribution, storage and supporting</i> infrastructure, <i>as well as the protection of critical energy infrastructure</i> and the deployment of recharging infrastructure	RCO 59 - Alternative fuels infrastructure (refuelling/ recharging points) RCO 131 - Energy transmission <i>or distribution</i> network lines and interconnectors - newly constructed or improved <i>RCO 105 - Solutions for electricity storage'</i>	
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(d) in policy objective 3, the following row is added:

	‘(iii) Developing resilient defence infrastructure, <i>prioritising that of a dual-use nature, including</i> to foster military mobility <i>in</i> the Union, <i>as well as enhancing civil preparedness;</i>	Any RCO listed for specific objectives (i), or(ii) RCO 129 - Infrastructure adapted to military mobility requirements <i>RCO29 Capacity of multi-purpose shelters built or renovated (persons)</i>	Any RCR listed for specific objectives (i), or(ii)’
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(e) in policy objective 4, the following row is added:

		RCO 18 - <i>Affordable and sustainable</i> dwellings with improved energy performance – dwellings	RCR 26 - Annual primary energy consumption (of which: <i>affordable and sustainable</i> dwellings, public buildings, enterprises, other)
	‘(vii) Promoting access to affordable <i>and sustainable</i> housing ■	RCO65 - Capacity of new or modernised social, affordable <i>and sustainable</i> housing - persons ■	- MWh/year
			RCR 29 - Estimated greenhouse emissions - tonnes CO ₂ eq./year
			RCR 67 - Annual users of new or modernised affordable, <i>sustainable</i> and social housing - users/year’

;

(f) in policy objective 5, the following row is added:

		RCO 18 - <i>Affordable and sustainable</i> dwellings with improved energy performance – dwellings	RCR 26 - Annual primary energy consumption (of which: <i>affordable and sustainable</i> dwellings, public buildings, enterprises, other) - MWh/year
	‘(iii) Fostering integrated territorial development, through access to affordable <i>and sustainable</i> housing ■ in all types of territories	RCO 65 - Capacity of new or modernised affordable, <i>sustainable</i> and social housing - persons ■	RCR 29 - Estimated greenhouse emissions - tonnes CO ₂ eq./year
			RCR 67 - Annual users of new or modernised affordable, <i>sustainable</i> and social housing - users/year’

Article 2
Amendments to Regulation (EU) 2021/1056

Regulation (EU) 2021/1056 is amended as follows:

(1) Article 8(2) is amended as follows:

(a) the first subparagraph is amended as follows:

(i) point (f) is replaced by the following:

‘(f) investments in smart and sustainable local mobility, including the decarbonisation of the local transport sector and its infrastructure, as well as the deployment of recharging infrastructure;’;

(ii) point (i) is replaced by the following:

‘(i) investments in regeneration and decontamination of brownfield sites, water, land restoration and including, where necessary, green infrastructure and repurposing projects, taking into account the polluter pays principle;’;

(iii) the following points are added:

*‘(p) promoting access to affordable **and sustainable** housing ■ ;*

(q) supporting energy storage systems when contributing to the decarbonisation of regional economies and the integration of renewable energy into the grid.’;

(b) *the second subparagraph is deleted;*

(c) the fourth subparagraph is replaced by the following:

‘The JTF may also support productive investments in enterprises other than SMEs, while *preserving a focus* on SMEs ■ . Such investments shall be eligible only *where they are necessary for the implementation of the territorial just transition plan, where their support is necessary for job creation in the identified territory and* where they do not lead to relocation as defined in Article 2, point (27), of Regulation (EU) 2021/1060. The provision of such support shall not require a revision of the territorial just transition plan where that revision would be exclusively linked to the gap analysis. *For investments contributing to the STEP objectives referred to in Article 2 of Regulation (EU) 2024/795,* apprenticeships and jobs, education or training for new skills shall be considered in the selection process.’;

(d) the following subparagraph is added:

‘For operations attributed a Seal of Excellence as defined in Article 2, point (45), of Regulation (EU) 2021/1060 and for projects directly participating in an important project of common European interest which the Commission has found to be compatible with the internal market pursuant to Article 107(3), point (b) TFEU having taken into account the Commission communication of 25 November 2021 entitled ‘Criteria for the analysis of the compatibility with the internal market of State aid to promote the execution of important projects of common European interest’, the managing authority may decide to grant support from the JTF directly, provided that such operations contribute to the specific objective set out in Article 2 of this Regulation and contribute to the implementation of the territorial just transition plans.’; ■

(2) in Article 10, the following *paragraphs are* added:

- ‘5. Where JTF resources are programmed as priorities within a programme also containing ERDF, **ESF**+ or Cohesion Fund resources, in addition to the assessment for each programme on the outcome of the mid-term review to be submitted pursuant to Article 18(2) of Regulation (EU) 2021/1060, Member States may resubmit **to the Commission** a complementary assessment as well as related requests for programme amendments, taking into account the specific objectives **and supported activities** introduced by Regulation (EU) .../...⁺ **by 31 December 2025**. The deadlines set in Article **24** of Regulation (EU) 2021/1060 shall apply.

Such a programme may benefit from the additional one-off pre-financing referred to in Article 7a(1), first subparagraph, of Regulation (EU) 2021/1058, where applicable.

Where such a programme benefits from an extended deadline for the eligibility of expenditure ■ as well as for decommitment in accordance with Article 7a of Regulation (EU) 2021/1058, such extension shall also apply to the JTF resources.

⁺ OJ: Please insert the number of this amending Regulation.

6. *Where JTF resources are programmed in a dedicated programme, Member States may establish dedicated priorities to support investments contributing to STEP objectives or for the promotion of access to affordable housing, in accordance with Article 8(2), first subparagraph, point (p), of this Regulation.*

Where at least 10 % of the financial resources of the programme is reallocated to one or more dedicated priorities referred to in the first subparagraph, the Commission shall, in 2026, pay 1,5% of the total support from the JTF to the programme as exceptional one-off pre-financing. In addition, reallocations to dedicated priorities established to support investments contributing to STEP objectives approved in programme amendments prior to the mid-term review shall also count towards the 10 % threshold. Resources from the European Union Recovery Instrument referred to in Article 4 shall not be taken into account for the purpose of calculating the amount corresponding to the 10 % of the financial resources of the programme resources.

The pre-financing due to the Member State which results from programme amendments pursuant to the reallocation to priorities referred to in the first subparagraph of this paragraph shall be counted as payments made in 2025 for the purpose of calculating the amounts to be decommitted pursuant to Article 105 of Regulation (EU) 2021/1060, provided that the request for the programme amendment is submitted to the Commission by 31 December 2025.

By way of derogation from Article 63(2) and Article 105(2) of Regulation (EU) 2021/1060, the final date for the eligibility of expenditure and the decommitment shall be 31 December 2030. That derogation shall apply only where programme amendments reallocating at least 10 % of the financial resources of the programme to one or more dedicated priorities as set out in the second subparagraph of this paragraph have been approved.

For such programmes, where Regulation (EU) 2021/1060 establishes the final date for the purposes of the application of the performance framework, financial management, reporting and evaluation requirements, this shall be read as referring to the same date in the following year. In addition, by way of derogation from Article 2, point (29), of Regulation (EU) 2021/1060, for such programmes the final accounting year shall be deemed to refer to the period from 1 July 2030 to 30 June 2031.

In addition to the assessment for each programme on the outcome of the mid-term review to be submitted pursuant to Article 18(2) of Regulation (EU) 2021/1060, Member States may resubmit to the Commission a complementary assessment as well as related requests for programme amendments, taking into account supported activities introduced by Regulation (EU) .../...⁺ by 31 December 2025. The deadlines set in Article 24 of Regulation (EU) 2021/1060 shall apply.

* Regulation (EU) 2025/... of the European Parliament and of the Council of ... on ... (OJ ...).’;.’

⁺ OJ: Please insert the number of this amending Regulation and insert the number, date and OJ reference in the corresponding footnote.

(3) in Article 11(2), *points (h) and (i) are replaced by the following:*

‘(h) where support is to be provided to productive investments in enterprises other than SMEs, an indicative list of operations and enterprises to be supported and a justification of the necessity of such support, including through, where necessary for the purposes of a State aid assessment, a gap analysis demonstrating that the expected job losses would exceed the expected number of jobs created in the absence of the investment;

(i) where support is to be provided to investments to achieve the reduction of greenhouse gas emissions from activities listed in Annex I to Directive 2003/87/EC, a list of operations to be supported and a justification that they contribute to a transition to a climate-neutral economy and lead to a reduction in greenhouse gas emissions going below the relevant benchmarks established for free allocation under Directive 2003/87/EC and provided that those operations are necessary for the protection of a significant number of jobs;’;

(4) in Article 12, paragraph 2 is replaced by the following:

‘2. For output indicators, baselines shall be set at zero. The milestones set for 2024 and targets set for 2029 shall be cumulative.’;

(5) *in Annex II, the text referring to point (h) of Article 11(2) in point 2.4 is replaced by the following:*

‘To fill in only if support is provided to productive investments in enterprises other than SMEs:

- an indicative list of operations and enterprises to be supported and for each of them a justification of the necessity of such support, including through, where necessary for the purposes of a State aid assessment, a gap analysis demonstrating that the expected job losses would exceed the expected number of jobs created in the absence of the investment.

Update or fill in this section through the revision of the territorial just transition plans, depending on the decision to provide such support.’;

(6) in Annex III, the following row is added:

<i>‘RCO 18 -Affordable and sustainable dwellings with improved energy performance – dwellings RCO 65 -Capacity of new or modernised affordable, sustainable and social housing - persons</i>	<i>RCR 26 -Annual primary energy consumption (of which: affordable and sustainable dwellings, public buildings, enterprises, other) - MWh/year RCR29 - Estimated greenhouse emissions - tonnes CO2 eq./year RCR 67- Annual users of new or modernised affordable, sustainable and social housing - users/year’</i>
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Article 3

Limitations on programme amendments and transfers

Amounts corresponding to commitments suspended by measures adopted in the context of Regulation (EU, Euratom) 2020/2092 and amounts exceeding the flexibility amount corresponding to the specific objectives subject to a negative assessment by the Commission on the basis of the application of horizontal enabling conditions pursuant to Article 15 of Regulation (EU) 2021/1060 shall not be subject to a programme amendment or transfer pursuant to this Regulation.

Article 4

Entry into force

This Regulation shall enter into force on the *day* following that of its publication in the *Official Journal of the European Union*.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at ...,

For the European Parliament

For the Council

The President

The President

**Statement of the Commission on the respect for rule of law on the occasion of the adoption of
Regulation (EU) [2025/...] ²¹**

The Commission underlines that the respect for rule of law and fundamental rights is of utmost importance for the European Union. The Commission understands the intention of the co-legislators to ensure the protection of the Union budget with its amendments to the Commission proposal. The Commission remains committed to ensuring the Rule of Law is upheld in the implementation of the Funds and will assess any request for programme amendments in line with the Common Provisions Regulation (CPR), the Rule of Law Conditionality Regulation and the provisions of the Mid-Term Review Regulation.

²¹ OJ L ... [number, date, page number, ELI].