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LIMITE

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## **MEETING DOCUMENT**

From: To:	Presidency Delegations
Subject:	Ways to provide adequate funding for a cohesion policy that builds a secure, competitive and resilient European Union: - Issue paper by the Presidency in view of the lunch at the GAC/Cohesion Council on 28 March 2025

In view of the informal ministerial lunch at the General Affairs/Cohesion Council on 28 March 2025, delegations will find attached the Presidency's issue paper on the ways to provide adequate funding for a cohesion policy that builds a secure, competitive and resilient European Union.



Polska prezydencja w Radzie UE Polish presidency of the Council of the EU Présidence polonaise du Conseil de l'UE

## Formal meeting of Ministers responsible for Cohesion Policy Brussels, March 28, 2025

Issue paper

## Lunch discussion on the

"Ways to provide sufficient funding for a cohesion policy that builds secure, competitive and resilient European Union"

The new priorities of the European Union – competitiveness, defence and resilience – require appropriate funding, not only in the next multiannual financial framework after 2027, but already in the current EU budget. The need to enhance economic competitiveness in a rapidly changing global landscape, strengthen collective security in response to geopolitical threats, and build resilience against future crises requires substantial investment and reforms. Furthermore, in the roadmap for the next multiannual framework, social, economic and territorial cohesion had been enumerated as one of the joint priorities, which should be addressed alongside these new priorities<sup>1</sup>. As all these priorities demand adequate financial resources, ensuring sufficient funding for Cohesion Policy becomes a growing challenge. Addressing these mutually reinforcing goals of cohesion, competitiveness, security, resilience is crucial to achieve EU's long-term development goals and reinforce upward convergence.

Budgetary negotiations within the EU are inherently complex, shaped by the need to reconcile competing priorities within a framework of limited financial resources. At the same time, Member States face fiscal pressures at the national level, leading to calls for greater efficiency in EU spending and, in some cases, restraint in contributions to the common budget. This requires striking the right balance in ensuring adequate resources to all EU priorities, including cohesion, which is crucial for the EU's long-term growth and competitiveness. Rather than being in opposition, these priorities should be seen as complementary, reinforcing each other to promote a resilient, competitive and cohesive EU. Reaching consensus requires taking into account different opinions, from those advocating for a more targeted approach to spending to those emphasizing the importance of preserving broad-based financial solidarity across the Union.

Ensuring sufficient funding for Cohesion Policy in a context of evolving EU priorities requires a balanced and forward-looking approach. A key issue is the overall size of the EU budget, where discussions on financing options, including potential new own resources, play an important role. At the same time, the distribution of funds within the MFF must reflect both the lasting relevance of Cohesion Policy and the need to address emerging challenges. The methodology for allocating Cohesion Policy will be key to maintaining equity and efficiency, ensuring that investments and reforms continue to support sustainable development across all EU regions. Additionally, the allocation methodology should take into account both long-term convergence needs and new economic realities helping to ensure that Cohesion Policy remains an effective tool for reducing regional disparities while complementing investments in security, resilience, and competitiveness.



## Question for discussion

 How can we ensure that EU cohesion and cohesion policy obtains adequate funding in the context of increased spending on new EU priorities?

<sup>&</sup>lt;sup>1</sup>A new approach for a modern EU budget should present at its core: A plan for each country with key reforms and investments, and focusing on our joint priorities, including promoting economic, social and territorial cohesion. Vide: COMMUNICATION from the Commission to the European Parliament, the European Council, the Council, the European Economic and Social Committee and the Committee of the Regions: The road to the next multiannual financial framework; COM(2025)46 final, p. 13.

