



A modernised cohesion policy to boost the EU's strategic priorities

Brussels, 1 April 2025

Today, the European Commission is revising the EU's cohesion policy to better support EU competitiveness and decarbonisation, defence and security, the Eastern border regions as well as affordable housing, water resilience, and the energy transition.

The objective of this initiative is to make cohesion policy more effective, by encouraging Member States and regions to invest in the European strategic priorities, while maintaining the focus of cohesion policy on reducing economic, social and territorial disparities. Member States will be invited to reprogramme part of their 2021-2027 cohesion funds to new investments in the context of the ongoing cohesion policy's mid-term review.

Strengthening Europe's competitiveness and closing the innovation gap

Given the role of businesses, regardless of their size, in steering research, innovation, knowledge and technology transfer, the Commission is proposing to extend the support of the European Regional Development Fund to large companies in critical areas, such as defence, strategic technologies, and decarbonisation. In addition, the Commission encourages Member States to increase investments in strategic technologies under the [Strategic Technologies for Europe Platform](#), to boost Europe's competitiveness and innovation.

Backing the defence industry and supporting Eastern border regions

Today's proposal will further enable Member States to use current cohesion funding to build resilient infrastructure to foster military mobility. It will also support productive capacities of small and large enterprises in the defence sector across all EU regions.

Moreover, cohesion programmes in the Eastern border regions, disproportionately affected by the Russian war of aggression against Ukraine, will benefit from a preferential prefinancing level, if they move at least 15% of their overall funds to the new strategic priorities.

More affordable housing

The Commission proposes, in line with the [President's political guidelines](#), to double the amount of cohesion policy funding dedicated to affordable housing. Member States will also be able to leverage private and public financing by using a new financial instrument set up jointly with the European Investment Bank (EIB). The instrument will combine cohesion funding with the resources of the EIB and of other international financial institutions as well as national promotional and commercial banks.

Enhancing water resilience

Member States will be able to increase investments in water resilience, including in digitisation of water infrastructure, mitigation of drought and desertification impacts.

Supporting the energy transition

Cohesion funding will support investments to promote energy interconnectors and related transmission systems, as well as the deployment of recharging infrastructure. This will be crucial to accelerate the energy transition and promote clean mobility. The proposal will also make it easier to fund decarbonisation measures.

Financial incentives under the strategic priorities

While all cohesion projects developed under the EU strategic priorities will be entitled to up to 30% of prefinancing, cohesion programmes, which will move at least 15% of their overall funds to these priorities, will enjoy an even higher level of advanced payment.

In addition, the EU funding for investments in strategic priorities will cover up to 100% of the costs in all regions.

Next steps

Today's amendments of the cohesion policy legislations, proposed in the context of the 2025 mid-term review, will be discussed by the European Parliament and the Council.

The Commission's objective is to conclude the reprogramming exercise of the mid-term review with Member States and regions in 2025, so that the new programmes can start being implemented in early 2026.

Background

With a budget of €392 billion in the current programming period 2021-2027, cohesion policy is the EU's main investment policy. In line with the legal rules, the current mid-term review allows Member States to assess the implementation of their cohesion programmes and adjust them to the new political priorities in 2025.

More information

[Questions and answers](#)

[Cohesion Data Platform](#)

[Strategic Technologies for Europe Platform](#)

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[Communication, Proposal and Staff Working Document](#)

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Quote(s):

"With today's proposal, we are making cohesion policy clearer, more targeted, and more effective, aligning it with the EU's challenges. We must act urgently to strengthen competitiveness, accelerate the energy transition, enhance defence, ensure affordable housing, and improve water resilience. To achieve this, we are reducing bureaucracy, optimizing financing conditions, and expanding investment opportunities. We will work together to redesign programs, delivering tangible benefits to European citizens and unlocking the potential of every territory."

Raffaele Fitto, Executive Vice-President for Cohesion and Reforms - 01/04/2025

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