EUROPEAN COURT OF AUDITORS

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Press Release
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EU Auditors shed light on allocation of post-2020 European cohesion policy budget

A new rapid case review by the European Court of Auditors published today looks at the process for determining the amount of cohesion funding available to EU countries under the next seven-year spending plan.

"This year is of crucial importance for the next seven-year budget of the European Union. It is vital that all stakeholders take informed decisions, so that cohesion policy delivers even more with a reduced budget," **said Iliana Ivanova, the Member of the European Court of Auditors responsible for the review**. *"In this context, our review explains in an accessible way the complicated process for allocating cohesion policy funding to Member States. We hope that it will help to stimulate a constructive discussion of these issues."*

The rapid case review provides an overview of how the EU allocates funds for its cohesion policy – designed to close the gap between rich and poor European regions – to individual Member States and regions. It compares the amounts proposed for the 2021-2027 period with the amounts for the previous period, 2014-2020. It also contains examples of how the calculations involved in the process work.

The European Commission has proposed an EU budget for 2021-2027 of €1 279 billion, of which €373 billion would be dedicated to cohesion spending, 10 % less than in the previous period. The process is broadly similar to the one used in previous periods; while the Commission has been more transparent than in the past, the process remains relatively complicated.

The decision on how much of the total seven-year EU budget should be devoted to cohesion is essentially a political one. In the next stage, the Commission allocates cohesion policy funds – from the European Regional Development Fund, the European Social Fund Plus and the Cohesion Fund – to Member States and regions according to a range of methodological processes. Most funding is allocated to countries and regions based on their relative wealth.

The purpose of this press release is to convey the main messages of the European Court of Auditors' rapid case review report.
The full review is available at www.eca.europa.eu.

ECA Press

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Countries and regions can also benefit from funds based on socio-economic and environmental factors such as their levels of youth unemployment or completed education. For the first time, migration and greenhouse gas emissions are included, but the effect is limited, say the auditors.

For 2021-2027, the proposed levels of cohesion funding for individual countries have also changed because many regions and some countries have become richer or poorer since the previous period. However, the maximum cohesion funds a country can receive is 8 % more than during 2014-2020, and the minimum is 24 % less. These caps and safety nets ensure that the amount granted to a country does not vary too much from one seven-year period to the next.

The Commission’s proposals for the next programme period include, for the first time, amounts per Member State. Under these proposals, seven countries would receive more cohesion funding, and six would receive the same amount, while 14 would receive less. As in previous periods, three quarters of all funds are allocated to poorer, less developed regions. The initial amounts allocated are subject to subsequent negotiations involving the EU institutions and Member States.

Notes to Editors

The European Parliament and Council are expected to decide on the proposed amounts of cohesion funding per Member State within the next twelve months.

This review excludes any Brexit-related considerations.

The ECA’s rapid case review “Allocation of Cohesion policy funding to Member States for 2021-2027” is available on its website eca.europa.eu in 23 EU languages.