

Flexibility and Simplification in Cohesion Policy under the 2028-2034 MFF Proposals



See the full study

The European Commission's proposals for the 2028–2034 EU budget would significantly reshape Cohesion Policy. Framed around simplification, flexibility and performance, the new framework would replace the current fund-specific architecture with a more integrated model centered around a single European Fund and National and Regional Partnership Plans (NRPPs).

These reforms respond to real weaknesses in the current system, notably procedural complexity. However, they also imply a broader shift in policy logic: Cohesion Policy would move away from a system based on strict rules, separate programmes and a territorially differentiated model. Instead, Cohesion Policy would become more integrated with other EU policies, more flexible and strongly steered through national plans, performance arrangements and priorities set by the European Commission.



Simplification gains will be uneven

The Commission presents the proposals as a major simplification with fewer programming documents, a single rulebook, stronger performance-based delivery and wider use of Simplified Cost Options (SCOs) and Financing Not Linked to Costs (FNLCS). These changes **may simplify the system at EU level**, but are **unlikely to reduce complexity proportionately at national, regional and beneficiary levels**. Administrative effort is more likely to be shifted from expenditure control towards coordination, negotiation, milestone-setting, monitoring, verification and audit. A **key issue** is **whether simplification will reduce burdens where implementation actually takes place** rather than mainly in the relationship between the European Commission and Member States.

The new performance model raises operational concerns

A stronger focus on results may improve strategic discipline and accountability, as it pushes policymakers to plan more carefully and stay aligned with their plans. However, the proposed milestone- and target-based payment model also creates significant risks. A central concern is that the **proposed model may not replace the current cost-based logic cleanly but instead sit alongside it, creating a dual system** in which milestone and target verification is added to continuing checks on expenditure, legality and regularity. The wider use of SCOs and FNLCS may reduce invoice-based checks and improve predictability for some beneficiaries, but only where costing methods, reporting systems and audit arrangements are clear and workable. Performance-based delivery **will only work if programme authorities have sufficient administrative and technical capacity**.

Budgetary flexibility for the EU may weaken predictability on the ground

The proposals make budgetary flexibility (the capacity to adjust financial allocations and reprogramme resources to changing circumstances) a much more prominent organising principle. It includes a larger flexibility reserve, an earlier and broader mid-term review, a stronger link between reprogramming and performance, and the more systematic use of reform milestones, Rule of Law and Charter conditions. This **may help** the EU and Member States **respond more quickly to crises and shifting priorities**. At the same time, **it reduces predictability for long-term territorial investment**. Reprogramming gains greater strategic weight, while access to funding becomes more dependent on evolving milestones, targets and compliance conditions. There is an important trade-off between adaptability and long-term planning certainty.



The EU Facility needs clearer legal framing

The new EU Facility adds another layer to the proposed architecture by allowing Commission-led top-up funding and Union action in areas linked to national plans. The EU Facility is broader than a narrow emergency reserve and could evolve into a more open-ended instrument for Union-level reprioritisation during the programming period. This raises **concerns about legal clarity, transparency, national ownership and parliamentary oversight**. A key implication for the European Parliament is the **need to seek clearer legal boundaries, more detailed allocation criteria and activation triggers, and a stronger scrutiny of annual work programmes and strategic reporting**.

Programming flexibility may weaken the place-based logic of Cohesion Policy

The proposed reforms also weaken some of the territorial and thematic features that have traditionally distinguished Cohesion Policy. The reduced role of regional categories, a new financial allocation methodology disconnected from current disparities, and the looser approach to thematic concentration point towards **a less differentiated and less visibly place-based model**. This **may increase room for integrated responses to complex challenges, but it also weakens the direct link between cohesion resources and territorial disparities**. The 2025 mid-term review illustrates a tension: On the one hand, Cohesion Policy can be redirected towards new priorities such as competitiveness, defence, housing, water resilience and energy. On the other hand, uptake has been selective, uneven and heavily dependent on initial programming and implementation, administrative capacity, political mandate and project readiness.

Interreg requires a distinct approach

Compared with the previous period, the fundamentals of Interreg remain broadly intact. However, the post-2027 framework points towards a more centralised and strategically steered model, notably through a single Interreg plan, increased use of implementing acts and a stronger performance-based approach. These changes **may streamline the formal structure**, but they also **risk weakening legal certainty and reducing operational fit in a multi-country setting**. **Many of Interreg's most valuable results are collective, long term and institutional in nature, which makes them difficult to capture through standard milestones and targets**.

Key recommendations for the European Parliament

- **Test simplification claims against implementation reality.** Parliament should seek firmer evidence that the reforms reduce burdens for managing authorities, intermediate bodies and beneficiaries, not only for the Commission and central administrations.
- **Make performance-based delivery proportionate and workable.** The legislation should provide clearer methodologies for milestones, targets and payment values, while allowing sufficient flexibility for long-term, innovative and territorially specific interventions.
- **Protect predictability within the new flexibility architecture.** Parliament should review the size and operation of the flexibility amount/reserve, the timing and scope of the mid-term review, and the link between reprogramming and performance in order to limit unnecessary uncertainty for long-term investment.
- **Tighten the legal framework for the EU Facility.** The Regulation should define more clearly the scope of Union actions, activation triggers, allocation criteria and the relationship between the EU Facility and national plans. At the same time, ex ante scrutiny of annual work programmes should be strengthened.
- **Preserve the territorial and place-based character of Cohesion Policy.** Parliament should seek greater transparency in the allocation model and stronger guarantees that reduced regional differentiation and wider national discretion do not weaken the territorial focus of the policy.
- **Strengthen partnership and multilevel governance.** The new framework should include robust provisions ensuring timely and meaningful involvement of regional and local actors in plan design, implementation, monitoring, revision and reprogramming.
- **Keep key Interreg provisions in the basic act and adapt performance rules to cross-border cooperation realities.** Core operational rules should remain anchored in primary legislation and any performance model should reflect the collective and long-term nature of territorial cooperation.

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