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## Feedback for the CoR opinion on the European Fund for Regional Development including for Interreg and the Cohesion Fund 2028-2034

4 DECEMBER 2025

### **1. What is your overall assessment of the Commission proposal? What are its positive aspects and what should be improved? How do you assess the reduction in the number of articles on the ERDF and the Cohesion Fund from 18 to 6 compared to the previous period?**

Overall, we appreciate the Commission's intention to streamline rules, expand the use of harmonised simplified cost options, and strengthen result-orientation. If applied consistently, these steps could genuinely ease administrative workload.

At the same time, merging regulations brings a serious risk of weakening territorial focus, particularly for instruments such as LEADER-CLLD that depend on strong place-based and bottom-up principles. Consolidation of sectoral rules into one overarching regulation is workable only if that regulation contains firm and legally binding safeguards for community-led local development and for ensuring dedicated funding for rural, coastal and remote areas. Without these protections, national priorities and dominant sectoral actors could easily divert resources away from locally driven rural development—undermining territorial cohesion. Recent analyses of the proposal already point to this danger.

Therefore, we support simplification, and believe it must be paired with concrete and binding provisions in the Fund Regulation to: (a) secure multi-sectoral eligibility for LEADER/CLLD; (b) reassert and protect the strategic role of Local Action Groups; and (c) guarantee a minimum allocation for LEADER/CLLD to avoid its gradual marginalisation.

### **2. Do you think that the Commission proposal respects the principles of subsidiarity, proportionality, additionality and 'do no harm to cohesion', as well as multi-level governance and the partnership principle?**

We see a clear risk to territorial cohesion if support continues to concentrate primarily on urban centres and adjacent zones. Article 5 of the ERDF and Cohesion Fund Regulations obliges Member States to apply Integrated Territorial Instruments, yet there is documented concern and analysis in Estonia showing that cohesion policy effects have been uneven — with urban-centres profiting more than rural or peripheral areas. According to a recent analysis by OECD — “Strengthening Place-Based Regional Development Policy in Estonia” — one of the identified problems in Estonia has been increasing regional polarisation. The report argues that, post-accession and during cohesion policy implementation, support was often distributed in a “spatially blind” way, focusing on national or broad-scale economic growth rather than targeting specific rural or peripheral territories. The OECD report points out that the pattern of cohesion policy in 2014–2020 “mainly benefits strong urban regions (especially the capital region, and to a lesser extent the city of Tartu and its surroundings)” in Estonia, thereby reinforcing a core-periphery divide instead of reducing it.

To safeguard cohesion, we believe CLLD should be made mandatory, with a funding level comparable to that allocated to ITIs. Only then can such imbalances between urban and rural territories be reduced and the Union's cohesion objective properly upheld.

**3. The budget available for the ERDF and the Cohesion Fund will depend on the decisions Member States make on using the fund in their NRP plans. Do you think that the lack of own budget lines for the ERDF and the Cohesion Fund in the Commission proposal could lead to 'competition' with other sources of funding included in the fund's NRP plans?**

Our primary concern lies in the absence of assurances that rural development will receive adequate financing. While new challenges call for innovative responses, these should not come at the expense of rural territories. The CAP remains focused on agriculture—rightly so, as food security is vital—but with the discontinuation of its second pillar, even greater responsibility for rural development falls on cohesion policy. At present, this is not sufficiently reflected in the proposal. This contradicts the “Right to Stay” strategy highlighted by President Raffaele Fitto; without robust rural investment, young people cannot be encouraged to remain in or return to rural areas. If the CAP’s second pillar truly disappears, the resulting funding void must be filled through ERDF and cohesion policy resources.

**4. Which specific priorities and objectives should the ERDF focus on in 2028-2034?**

We broadly support the priorities outlined by President von der Leyen last year. However, we believe the objective of safeguarding European values and reinforcing democracy is underemphasised. This aim cannot be achieved without reinforcing grassroots instruments such as LEADER/CLLD, which give citizens a direct role in shaping their communities’ futures.

**5. Do you think the Commission proposal makes sufficient progress on simplification and flexibility? What improvements do you think are needed to progress further in these areas?**

The Commission’s efforts to simplify and add flexibility are welcome, yet they risk shifting too much control to central authorities after 2028. To counterbalance this, the regulations must explicitly require the application of LEADER-CLLD not only within the CAP but also in cohesion policy. Additionally, simplification must happen both at EU and national levels. EU rules should oblige Member States to adopt simplification tools—such as mandatory flat-rate options—not only for CAP-funded actions but also for cohesion policy. Unfortunately, the JTF Regulation does not, in our view, provide sufficient guarantees in this direction.

**7. Do you think that the Commission proposal sufficiently considers/respects European territorial cooperation and Interreg? What improvements are needed in this regard? Do you think that there should be a separate regulation for Interreg? If not, should the section on general provisions (Chapter I) be separate from the section on Interreg (Chapter II)? The budget for Interreg will be available from 2029. What impact do you expect this to have on the continuity of ongoing cooperation?**

Yes, the Commission’s proposal does take European territorial cooperation and Interreg into account, but several improvements are still necessary to protect their role and ensure smooth implementation.

First, a separate Interreg regulation is not essential, provided that the legal text clearly distinguishes general provisions from Interreg-specific rules.

Second, the proposal should reinforce explicit safeguards for territorial cooperation.

Third, the fact that the Interreg budget will only be available from 2029 could create a disruptive funding gap.

**8. Do you think that the lack of references to the Cohesion Fund in the Commission's proposal could be problematic?**

The issue is not just the disappearance of the term “Cohesion Fund” but rather the uneven treatment of sectoral frameworks in the new structure. While the CAP retains an extensive and protected regulatory framework, cohesion instruments are folded into a single Fund with fewer dedicated safeguards. This reduces the clarity, protection and predictability of funding for convergence, environmental measures and transport in less developed Member States. To prevent the weakening of cohesion objectives, the remit of the Cohesion Fund should be clearly preserved in the Fund Regulation and its annexes, and Member States should be obliged to maintain their cohesion-related allocations.

**10. Do you think that the Commission proposal sufficiently considers synergies and complementarity with other sources of EU funding? What improvements are needed in this regard?**

The idea of a single Fund seeks to enhance synergy by coordinating different funding streams through unified partnership plans. While this could reduce duplication, it is essential that territorial and community-led approaches are properly safeguarded. For effective complementarity, we partner with ELARD to recommend:

- Ensuring LEADER/CLLD is recognised across all funds, enabling LAGs to use one unified strategy with harmonised eligibility, selection and simplified financing rules, thus avoiding fragmentation for multi-fund LAGs.
- Embedding explicit coordination requirements in the Fund Regulation, obliging Member States to demonstrate how they will ensure complementarity between the Fund, Horizon, the Competitiveness Fund and other instruments.
- Designing performance and reporting systems that reflect multi-fund results of LEADER-CLLD—including social impacts—so that synergies are visible and not discouraged by siloed reporting obligations.

We thank the Committee of the Regions for the opportunity to contribute and remain at your disposal for any further clarification.



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**Estonian LEADER Union** is a non-governmental organisation set up to contribute to the implementation of LEADER/CLLD principles in Estonia.