



# EU BUDGET FOR THE FUTURE

*Regional Development and Cohesion*

#EUBudget #FutureofEurope



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## A STRONGER LINK WITH THE EUROPEAN SEMESTER AND THE UNION'S ECONOMIC GOVERNANCE

EU investments cannot operate in isolation from the wider macroeconomic context. The Commission proposes to strengthen the link between cohesion policy interventions and the European Semester of economic policy coordination, to create **a growth and business-friendly environment in Europe**, so EU as well as national investments can deliver their full potential.

Full complementarity and coordination with the new, enhanced **Reform Support Programme** will be ensured. This programme will provide incentives for all Member States to address key reforms, in order to create the right conditions for job creation, growth and investments.



### A CLOSER ALIGNMENT WITH THE EUROPEAN SEMESTER AND THE UNION'S ECONOMIC GOVERNANCE

In the context of the European Semester, the detailed analysis of Member States' challenges in the form of **Country-Specific Recommendations will serve as a roadmap for the programming of the funds** and the design of cohesion policy programmes, at the beginning of 2021-2027.

**The most recent Country-Specific Recommendations will also guide a mid-term review of the programmes**, to adjust to new or persistent challenges. Over the course of the period, Member States should regularly present their progress to the Commission on implementing the programmes, in support to the Country-Specific Recommendations.

Macroeconomic conditionality is kept to ensure EU investments operate in a sound fiscal environment. When a Member State fails to take effective or corrective action in the context of key EU economic governance mechanisms (Excessive Deficit Procedure, Excessive Imbalance Procedure) or fails to implement the measures required by a stability support programme, the Commission shall make a proposal to the Council to suspend all or part of the commitments or payments for one or more of the programmes of a Member State. However the Commission may, on grounds of exceptional economic circumstances or following a reasoned request by the Member State concerned, recommend that the Council cancels the suspension.



## NEW PRECONDITIONS FOR INVESTMENTS WILL PREPARE THE GROUNDS FOR EU FUNDS TO FLOW

In the 2014-2020 period, a number of preconditions ('ex-ante conditionalities') addressed horizontal and sectorial barriers hindering investment in the EU in the first stages of the cohesion policy programming period. In doing so, they helped deepen the Single Market and deliver on the objectives of President Juncker's Investment Plan for Europe.

Building on this success story, **the 2021-2027 framework presents a limited number of new "enabling" conditions to fulfill.** They cover the main priority areas of intervention of Cohesion Policy, but also public procurement, state aid and the respect of fundamental rights. Fulfilment of these enabling conditions is necessary to receive EU support and will be monitored regularly throughout the programming period.

