

COHESION IN EUROPE TOWARDS 2050

What has Cohesion policy delivered

Reducing disparities between regions

• Since 2001, less developed eastern EU regions have been catching up with the rest of the EU, leading to a substantial reduction of the GDP per capita gap. However, some regions in southern and south-western Europe have been stagnating.

• By 2023, the GDP per capita of less developed regions is estimated to be up to 5% higher thanks to support from cohesion policy.

• By 2023, the GDP per capita gap between the top and the bottom regions is estimated to fall by 3.5%.

Quick response to the COVID-19 crisis by

• additional funding (through CRII and extra €50.6 billion through <u>REACT-EU</u>),

• making crisis response measures (business support, workers and health systems) eligible under Cohesion policy and

• unprecedented flexibility on Cohesion rules and 100% co-financing rates.



More public investment, after the contraction due to the economic and financial crisis

• In less and moderately developed Member States, Cohesion funding increased

from 34% to 52% of total public investment from the 2007-2013 programming period to the 2014-2020 one.

Supporting jobs

• Employment increased, but differences between regions remain large.

• Less developed regions must reduce the employment gap between genders, and improve education and digital skills, especially in rural areas.

Regional and Urban Policy

Improving road and rail transport infrastructure

• Southern regions closed the road performance gap and eastern regions reduced the gap.

• However, as the EU transitions towards climate neutrality, more investments are needed in clean mobility.

Supporting connectivity

• Basic broadband access is almost universal in the EU, but with rural-urban gaps.

• Very-high-speed connections are only available to 2 out of 3 city residents and 1 out of 6 rural residents.

• Many regions need more investments in digital infrastructure and a stronger business environment.

How will Cohesion policy help in the future

• The transition to carbon-neutrality will transform the EU's economy.

- It will boost employment in sectors such as renewable energy, recycling, design, renovation and ecosystem services.

- It will affect sectors more sectors that need to reduce their emissions and the regions in which they are located. Such regions should be supported in the transition, for instance through the <u>Just Transition</u> <u>Fund</u>.

• The digital transition is moving forward at different speeds across Europe.

- It will require expanding very-high-speed internet access, boosting digital skills and investing in IT equipment.

- Cohesion funding – notably the <u>European Regional Development Fund</u> and the <u>European Social</u> <u>Fund Plus</u> – can support investments in these areas. This will benefit rural areas where internet connection tends to be slow and digital skills below average. Faster internet access will allow more people to work from home, improve access to online services, including training, health and e-commerce.

• **Cohesion policy will become more flexible,** drawing on the lessons from the coronavirus pandemic, to adapt more easily to unexpected shocks, for instance through a higher flexibility in terms of transferring resources.

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