



# #CohesionAlliance

FOR A STRONG EU COHESION POLICY 2.0 

## Joint observations of the #CohesionAlliance towards the 8<sup>th</sup> Cohesion Report

The European Commission presented the **8th Cohesion Report** on 9 February 2022. The **#CohesionAlliance** as an initiative of the leading European associations of cities and regions and the European Committee of the Regions **agreed to put forward the following joint observations towards the 8th Cohesion Forum:**

- Cohesion policy remains the EU's most important investment tool!** Less developed regions in Eastern Europe have been catching up, but several middle-income and less developed regions in the south of the EU have suffered stagnation or decline, caught in a form of development trap. The number of people at risk of poverty and social exclusion has fallen by 17 million between 2012 and 2019. Health disparities are shrinking. Economic modelling indicates that in 2023, GDP per head will be 2.6% higher in less developed regions due to support from cohesion policy in 2014-2020.
- Cohesion policy has been effective in addressing the financial and Covid-19 crises!** Following the contraction of national public investments due to the economic and financial crisis, cohesion policy became a more important source of investment. Cohesion policy responded quickly to the Covid-19 crisis by mobilising additional funding, making spending on the crisis-response eligible and allowing higher co-financing rates.
- Cohesion policy is also playing a crucial role in the consequences of the Russian invasion in Ukraine.** In addition to the already ongoing investment projects and existing measures to address migration challenges, further flexibility of cohesion policy programmes will help cities and regions in welcoming refugees from Ukraine.
- Cohesion policy has been instrumental for greater territorial cohesion!** By closing the road transport performance gap in the eastern EU and improving rail performance in the southern EU.
- Cohesion policy and the Just Transition Fund ensure a fair transition** to address the social costs of climate change mitigation and adaptation.
- Regional disparities remain high and some are growing!** Particularly employment and employment rates in less developed regions remain far below those in more developed regions. The regional innovation divide in Europe has grown. The gender gap in employment is twice as big in less developed regions as in developed regions and there is a large urban-rural divide with regard to education attainment and skills levels.
- Cohesion policy plays a crucial role in supporting the digital and green transitions at local and regional level!** Transport or IT infrastructure alone do not automatically lead to higher growth rates. Cohesion policy with its integrated approach is instrumental, for instance to help SMEs and to train/retrain workers.
- The local and regional capacity in economic development remains uneven!** Effective place-based policies are particularly important in countries with significant internal economic disparities. The role of cohesion policy to strengthen local administrative capacity should be further developed. This is crucial to build the know-how and human resources needed to deliver green and digital transformative investments.
- Key challenges remain for leaving no people and no regions behind.** Over the next decade, the population aged 65 and above is projected to grow by more than 25% in one out of five regions. Overall, the share of population living in a shrinking region is projected to increase from 34% to 51% between 2020 and 2040. Rural regions are especially affected as they are already shrinking. Such long-term economic decline has fed a growing discontent among citizens. Eurobarometer surveys show that rural residents are more likely to think that their voices do not count and to distrust the EU. Cohesion policy should be able to offer solutions by supporting life-long training, better connecting rural areas and by investing in innovative projects in cities and regions.
- The European Commission identifies that **territorial instruments that engage local actors and the partnership principle can help address pressure on democracy by increasing trust in the EU and ownership of European policies.** The strong message to reinforce multi-level governance and partnership principle is timely and reassuring. However, this acknowledgement comes in contradiction of the recent trend of the EU to recentralize the management of its funds and policies back to Member States (from the national CAP strategic plans, to the national recovery and resilience plans, and upcoming national climate social plans). It remains to be seen how the new concept proposed by the European Commissioner for Cohesion and Reforms on the "do no harm to cohesion policy" will effectively be applied throughout all the other EU policies that have an impact on territorial development and at local level.
- The future of the cohesion policy will be closely linked with the discussions on a possible reform of the EU economic governance framework.** However, there is no acknowledgement of the role of the EU Semester in the implementation of cohesion policy. The report showed that Cohesion Policy helped to maintain public investments in the EU against the contradictory requirements of limiting Member States' investments and spending that prevailed following the 2008-2009 economic crisis. Today the paradigm has totally shifted, with a general understanding that to achieve recovery and the green and digital transitions, Europe will need massive public and private investments in the coming years. Local and regional governments will have to be formally involved in the EU economic governance and will need their investment capacities to be strengthened.

## Statements of the #CohesionAlliance's partners:



**Apostolos Tzitzikostas**, President of the European Committee of the Regions: *"This report shows that cohesion policy works but also that all EU policies must help reducing social and economic gaps. People need EU, national, regional and local actors to work together to create jobs, fight poverty, and bring the green and digital transitions in every region, city and village across Europe. This policy is the only EU policy that heavily invests on this cooperation. The pandemic - as well as the tragic situation caused by the war against Ukraine ordered by a ruthless regime - have proved how vital cohesion policy is for the EU to cope with both emergencies and longer-term change"*



**Nathalie Sarrabezolles**, Chair of the CoR COTER commission: *"With the war in Ukraine, cohesion policy proves once again to be the first European policy to react to another major crisis. This key policy is not only a reactive tool, but it is also needed in the long term as an investment instrument to achieve EU's strategic autonomy. Building a fair ecological and digital transition, strengthening local and regional administrative capacity and democracy would not be possible without a strong cohesion policy that can help reducing economic, social and territorial disparities and strengthening the EU's role as a strong actor in the world"*



**Magnus Berntsson**, President of the Assembly of European Regions (AER): *"Now is the time to turn crisis into opportunity. Cohesion policy is fundamental to unlock the full potential of our regions as we bounce back from the pandemic. We need investments to reach all European regions for a fair and balanced recovery"*



**Karl-Heinz Lambertz**, President of the Association of European Border Regions (AEBR): *"Cohesion policy has been crucial to transforming European border regions from entirely peripheral to more central within continental integration. And it will also be determinant to consolidate and further develop these "basins of life" for them to face current challenges, including the post-pandemic and any expected consequence of the current war in European integration. Borders have a vivid memory of past conflicts and are good places to start reconstruction"*



**Jean-Claude Marcourt**, President of the Conference of European Regional Legislative Assemblies (CALRE): *"While the European Union is already shaken by the consequences of the war, it is more than ever crucial to maintain and develop solidarity between the different regions of Europe, in particular through cohesion policy"*



**Stefano Bonaccini**, President of the Council of European Municipalities and Regions (CEMR): *"We are not yet out of the pandemic and we have imagined everything but a new war in Europe. The crisis we have experienced in recent years show that European cohesion policy is more relevant than ever in the long run and that it must be strengthened in the years to come. It is a policy that connects European citizens to Europe through municipalities and regions. It is our best tool to pursue the European project and strengthen local democracy"*



**Cees Loggen**, President of the Conference of Peripheral Maritime Regions (CPMR): *"Competition between the Recovery and Resilience Facility and Cohesion Policy is not helpful for the effective deployment of EU resources. The fallout of the war will require all the more the EU funds to work in synergy. We need to think about better ways to coordinate EU investment policies in the future. It is also of utmost importance for regional authorities that all EU policies contribute to territorial cohesion, as suggested in the 8th Cohesion Report"*



**Dario Nardella**, President of Eurocities: *"Cohesion policy remains the most important tool we have for investing in people and places, and this report proves its effectiveness in bringing balance across Europe, with Eastern regions catching up. We must reinforce cities' and metropolitan regions' possibilities to tap into this resource. They are the innovation hubs that help boost regional development. This is especially important now as we look to recover from the Covid-19 pandemic by driving public investment into a just, green and digital transformation of our cities"*

## The #CohesionAlliance

The #CohesionAlliance is a coalition of those who believe that EU cohesion policy must continue to be a pillar of the EU's future. To avoid cuts in the next EU long-term budget and raise awareness about the vital role of cohesion policy, the #CohesionAlliance was initially launched by leading associations of regions and cities - the **Association of European Border Regions (AEBR)**, the **Assembly of European Regions (AER)**, the **Conference of**

**European Regional Legislative Assemblies (CALRE)**, the **Council of European Municipalities and Regions (CEMR)**, the **Conference of Peripheral Maritime Regions of Europe (CPMR)** and **Eurocities** - and the **European Committee of the Regions** in October 2017. The Alliance is asking that the EU budget after 2020 make cohesion policy stronger, more effective, visible and available for every region in the European Union. Since its launch,

the Alliance's declaration has been signed by more than 13 000 individual signatories, 140 regions, 137 cities and counties, 50 associations of regional and local governments, 40 Members of the European Parliament and 35 EU sectoral associations. Anyone who believes in EU cohesion policy is welcome to join the #CohesionAlliance by signing the declaration.