

Investment for jobs and growth in EU regions

Cohesion policy is the EU's main investment policy, with a budget of over €350 billion for the 2014-20 period. It supports investments in employment, small and medium-sized enterprises (SMEs), environment and infrastructure. The sixth cohesion report, published by the European Commission in July 2014, analyses the impact, evolution and future prospects of cohesion policy.

Cohesion policy – framework and state of play

[Cohesion funding](#) supports the EU's strategic objective of investing in jobs and growth. The policy's main goal is to reduce regional disparities, in close alignment with [Europe 2020](#) targets. Funding is available for all [276](#) EU regions, with special emphasis on less developed areas. Every three years, the European Commission is required by the [Treaties](#) (Article 175 TFEU) to report on progress towards economic, social and territorial cohesion. The 2014 [report](#) makes an initial assessment of the 2007-13 programming period and describes the main changes in the new period. The 2014-20 cohesion investments focus on 11 [thematic objectives](#) financed from the European Regional Development Fund ([ERDF](#)), European Social Fund ([ESF](#)) and the Cohesion Fund ([CF](#)). ERDF [priorities](#) include innovation and research, the digital agenda, support for SMEs and the low-carbon economy. The Cohesion Fund finances investments in transport networks and environmental infrastructure in 15 eligible [countries](#). The ESF [focuses](#) on employment, social inclusion, education and training. Recognising the role of good governance in ensuring the effectiveness of cohesion policy, some ESF funding is also channelled towards strengthening public administration capacity.

To increase efficiency and remedy previous shortcomings, cohesion policy was [reformed](#) in 2013. The new policy targets resources at a more limited number of priorities and is linked more closely to the EU's 2020 strategy and its [economic governance](#) framework. Rules for EU [funds](#) and the [classification](#) of regions have been simplified. More focus goes to the urban dimension, involvement of partners and cross-border cooperation. Financial support, in terms of volume, has shifted from infrastructure to SMEs, innovation and employment.

The impact of cohesion policy, 2007-13

In the previous programming period, cohesion policy actions were hampered by the economic crisis which led to high unemployment and a decline in public investment. However, cohesion investment helped cushion some effects of the crisis, providing a major part of public investment in some Member States. Its impact can be measured as estimated contribution to the GDP and employment growth (e.g. an estimated [GDP increase](#) of up to 2.1% per year in the Member States which have joined the EU from 2004). Further evidence of its impact includes direct outcomes and results. According to the latest Commission [figures](#), which update the report [data](#), cohesion funding contributed to creating nearly 770 000 jobs and supported almost 100 000 start-ups. Over 3 700 km of roads were built, broadband coverage provided to almost 5 million people and 5.5 million people were connected to waste water treatment. Full assessment of its impact is still under way, as funds from 2007-13 can be used until the end of 2015. Moreover, some effects may be observable only in the long term, as the investments affect broader economic structures.

The [report](#) on 'Investment for jobs and growth: promoting economic, social and territorial cohesion in the Union', adopted by the EP's Committee on Regional Development (rapporteur: Tamás Deutsch, EPP, Hungary), calls for better coordination with other EU investment policies to ensure synergies and avoid overlaps. It emphasises the importance of investing in employment, SMEs, youth and education. Good governance is highlighted as an important factor in ensuring policy efficiency. The EP's role in scrutinising economic governance procedures related to cohesion policy is emphasised. The report points out that the territorial dimension is under-represented in the Commission report, especially as regards cross-border cooperation. It also expresses concern over delayed implementation of 2014-20 cohesion policy and the backlog in payments for the previous period. The resolution is due to be voted in plenary in September 2015 (procedure file [2014/2224\(INI\)](#)).