

EUROPEAN PARLIAMENT THINK TANK – TOPICAL DIGEST

October 2019

Organised by the European Commission and the European Committee of the Regions from 7 to 10 October 2019, this year's [European Week of Regions and Cities](#) (EWRC) is taking place under the headline theme, *Regions and Cities: Pillars of the EU's future*. Bringing together local and regional representatives, beneficiaries of EU policies and EU institutions for four days of workshops and debate, the EWRC is the world's largest regional development event. With the coming months marked by the ongoing negotiations on the EU budget and the post-2020 cohesion policy package, this year's event comes at an ideal moment for EU regions and cities to share their ideas on how best to translate the targets put forward under the Commission's legislative proposals into projects that can make a real difference on the ground. As well as focusing on regions and cities, the event's main topics also cover a Europe closer to citizens and a greener Europe. This Topical Digest contains a selection of research papers from the European Parliament on regional and cohesion policy.

[EU policies – Delivering for citizens: Regional policy](#)

Briefing by Christiaan van Lierop and Vasileios Margaras, European Parliamentary Research Service, June 2019

The principal aim of the EU's regional policy, also known as cohesion policy, is to address the territorial, social and economic imbalances that exist between the different regions of the EU. Regional policy covers all EU regions and cities, helping to support job creation, business competitiveness, economic growth, sustainable development, and to improve citizens' quality of life. To achieve these goals and address the development needs in all EU regions, €351.8 billion, almost one third of the total EU budget, has been set aside for cohesion policy for the 2014-2020 period.

[Regional inequalities in the EU](#)

Briefing by Agnieszka Widuto, European Parliamentary Research Service, May 2019

The issue of inequality has gained increasing importance in the public and political agenda in the aftermath of the financial and economic crisis, and in the context of political movements representing the 'places left behind'. Inequality may relate to income and wealth, but also to a variety of aspects such as access to basic services, education and infrastructure. In the context of regional disparities, it may also refer to differing levels of socio-economic development. Common inequality measures have revealed that, while regional disparities have been decreasing when considering the EU as a whole, they have been increasing within some countries.

[The Agenda for Cohesion Policy in 2019-2024: Key issues for the REGI Committee](#)

Study by European Parliament's Policy Department for Structural and Cohesion Policies, July 2019

The study reviews current and emerging issues for cohesion policy to support the work agenda of the European Parliament's Committee for Regional Development during its new mandate for 2019-2024. The analysis focuses on issues relating to the committee's competences and concludes by highlighting key policy themes and political questions for the debate on cohesion policy in 2021-27.

[Implementing the Urban Agenda for the EU](#)

Briefing by Christiaan van Lierop, European Parliamentary Research Service, October 2019

Towns and cities are home to nearly three quarters of the EU's population, and most EU policies concern them directly or indirectly. While the revised 2014-2020 cohesion policy framework introduced a number of new instruments to enhance the urban dimension of cohesion funding, a shared vision of urban development has gradually taken shape at intergovernmental level, accompanied by increasing calls to give cities a greater say in policy-making.

[Financial instruments in cohesion policy](#)

Briefing by Agnieszka Widuto, European Parliamentary Research Service, October 2019

The use of financial instruments in cohesion policy is increasing, as they are considered a resource-efficient way of using public funding. They provide support for investments in the form of loans, guarantees, equity and other risk-sharing mechanisms. In the 2014-2020 programming period, financial instruments can be applied in all thematic areas and funds covered by cohesion policy, as well as combined with grants. The proposals for the post-2020 framework currently being discussed focus on simplification and facilitating the use of financial instruments.

EU support for coal regions

Briefing by Agnieszka Widuto, European Parliamentary Research Service, October 2019

The EU, as a signatory to the 2015 Paris Agreement, has committed to a 40 % cut in greenhouse gas emissions by 2030. In 2018, the European Commission also presented its vision for a climate-neutral Europe by 2050. This will require a transition from relying on fossil fuels to renewable energy sources, and in particular a reduction in power generation from coal, with an estimated direct loss of 160 000 jobs. In order to alleviate the socio-economic consequences for the regions, the EU provides a number of funding sources and is currently negotiating the post-2020 budgetary framework with measures offering support to coal regions.

Better communication for cohesion policy

Briefing by Agnieszka Widuto, European Parliamentary Research Service, March 2019

Cohesion policy is a major EU investment tool aimed at reducing regional disparities and achieving economic, social and territorial cohesion. It delivers a wide range of results in areas such as new infrastructure, training, job creation, support for small businesses and environmental protection. Communication is key for making the public aware of existing funding opportunities and informing them of the results of cohesion policy investments. It can also affect public perception of the EU and raise awareness of the positive impact of EU support on people's everyday lives.

Common Provisions Regulation

'EU Legislation in Progress' briefing by Vasilis Margaras, European Parliamentary Research Service, March 2019

For the next EU budget framework, covering the 2021-2027 period, the European Commission proposes to update EU cohesion policy with a new set of rules. The proposal for a Common Provisions Regulation (CPR) sets out common provisions for seven shared management funds: the European Regional Development Fund, the Cohesion Fund, the European Social Fund Plus, the European Maritime and Fisheries Fund, the Asylum and Migration Fund, the Internal Security Fund and the Border Management and Visa Instrument. Additional specific regulations add certain provisions needed to cater for the particularities of individual funds, in order to take into account their different rationales, target groups and implementation methods.

European Regional Development Fund and Cohesion Fund

'EU Legislation in Progress' briefing by Agnieszka Widuto, European Parliamentary Research Service, January 2019

The proposed new single regulation on the ERDF and CF (previously covered by two separate regulations) identifies the specific objectives and scope of support for both funds, including non-eligible activities. In line with evidence regarding impact, investments will focus on activities with the highest added value, such as support for SMEs, smart specialisation, the low carbon economy, sustainable urban development and regional cooperation. The ERDF will focus mainly on smart growth and the green economy, and the CF on environmental and transport infrastructure. A special approach is taken for territories such as urban areas and outermost regions.

European territorial cooperation goal (Interreg) 2021-2027

'EU Legislation in Progress' briefing by Vivienne Halleux, European Parliamentary Research Service, January 2019

Financed by the European Regional Development Fund (ERDF), European territorial cooperation is the European Union's key instrument for supporting cooperation between partners across borders. On 29 May 2018, the European Commission published legislative proposals aimed at defining the architecture of cohesion policy post-2020, one of which concerns the next generation of European territorial cooperation (ETC) programmes, better known as 'Interreg'. The main novelties include a restructuring of cooperation strands; a tool to help actors involved in smart specialisation strategies to cluster together; a single set of rules for territorial cooperation within and beyond EU borders; additional policy objectives; and lower resources and co-financing rates for European Territorial Cooperation.

Mechanism to resolve legal and administrative obstacles in a cross-border context

'EU Legislation in Progress' briefing by Christiaan van Lierop, European Parliamentary Research Service, January 2019

Often isolated, and with generally poorer access to public services, the EU's border regions face a unique set of challenges. This has been recognised under Article 174 of the Treaty on the Functioning of the European Union, which provides that particular attention should be paid to cross-border regions when developing action to strengthen the EU's economic, social and territorial cohesion. Yet while the EU has provided significant support over the years, particularly within the framework of European territorial cooperation, helping to strengthen connectivity and create new growth and jobs, numerous obstacles continue to hamper cross-border cooperation.

European research area (ERA) – Regional and cross-border perspectives

Briefing by Cemal Karakas, European Parliamentary Research Service, April 2019

The ERA is a coordination system for national research infrastructure, and itself constitutes infrastructure designed to create a single market for science. The main implementing instrument for the ERA is the European Union (EU) framework programme for research and innovation (R&I), currently Horizon 2020, alongside national roadmaps for implementing the common priorities. While the ERA offers a way to improve joint programming for research and innovation activities, interaction among research infrastructure, the use of public-public partnerships between Member States, the application of smart specialisation strategies (S3) and the mobility of researchers, challenges remain.

Creative Europe programme

'EU Legislation in Progress' briefing by Magdalena Pasikowska-Schnass, European Parliamentary Research Service, March 2019

While the creative and cultural sector is the EU's third largest employer after the construction, and food and beverages sectors, cultural and audiovisual activities and operators face many challenges and barriers, such as the digital shift, language barriers and market fragmentation. To help operators address these issues, the Creative Europe programme was launched as a support programme for the cultural sector and its operators for the 2014-2020 period, and the present proposal aims to renew the programme for the next funding period, from 2021 to 2027.

Regional governance in the EU

Briefing by Agnieszka Widuto, European Parliamentary Research Service, September 2018

Regional governance refers to rules, procedures and practices used by institutions at the regional level. The quality of institutions has an important impact on social and economic development at regional level. A variety of parameters may be used to assess the quality of institutions, including indicators on government effectiveness, rule of law or control of corruption. The 2017 European Quality of Government Index (EQI), which measures institutional quality at the regional level in the EU, reveals that while institutional quality still varies across EU regions, the traditional North-South and East-West divisions seem to be slowly blurring.

Measuring social progress in EU regions

Briefing by Agnieszka Widuto, European Parliamentary Research Service, September 2018

The social dimension has long been present on the European Union agenda. Recently, it has gained greater significance, particularly in contexts such as the EU governance framework (European Semester), and economic and monetary union, as well as the reflection process on the EU's future. Initiatives to measure the social situation and the social impact of EU policies have produced a number of indicators complementing the assessment of economic performance, helping to present a more comprehensive picture of the state of European societies. The EU regional Social Progress Index provides an overview of aspects including health, access to education, environmental quality, housing, personal rights and inclusion.

The regions in the Digital Single Market

Briefing by Vasilis Margaras, European Parliamentary Research Service, April 2018

The digital economy is growing at seven times the rate of the rest of the economy. The European Commission estimates that completing a digital single market could contribute €415 billion per year to Europe's economy, create 3.8 million jobs and transform public services. The Digital Agenda for Europe, announced in 2010 in the framework of the Europe 2020 strategy, aimed at promoting economic recovery and improving social inclusion through a more digitally proficient Europe, complemented by the Digital Single Market strategy, introduced in 2015. Achieving a digital single market will ensure that Europe maintains its position as a world leader in the digital economy, helping European companies to grow globally.

Outermost regions of the EU: A stronger and renewed partnership

Briefing by Christiaan van Lierop, European Parliamentary Research Service, January 2018

The EU's outermost regions qualify for special treatment owing to structural difficulties, such as remoteness, difficult topography or economic dependence on a few products, which can severely hamper their development. Specific support mechanisms exist under cohesion, agricultural and fisheries policies, with the Commission outlining measures aimed at assisting outermost regions in its communications published in 2004, 2008, and 2012. With the outermost regions continuing to face numerous challenges in areas such as mobility, unemployment and climate change, discussions were launched on the formulation of a new strategy, published in October 2017. The shape of the EU's legislative and financial proposals will be of crucial importance for the successful delivery of the strategy post-2020.

Further reading:

[Demographic trends in EU regions](#)

Briefing by Vasilis Margaras, European Parliamentary Research Service, January 2019

[2021-2027 multiannual financial framework and new own resources: Analysis of the Commission's proposal](#)

In-depth analysis by Matthew Parry and Magdalena Sapata, European Parliamentary Research Service, July 2018

[Cohesion funds, values and economic and monetary union in the 2021-2027 MFF: European Parliament position on Heading 2 – Cohesion and values](#)

Briefing by Magdalena Sapata, European Parliamentary Research Service, January 2019

[Effectiveness of cohesion policy: Learning from the project characteristics that produce the best results](#)

Study by European Parliament's Policy Department for Budgetary Affairs, March 2019

[EU policies – Delivering for citizens: Energy supply and security](#)

Briefing by Alex Benjamin Wilson, European Parliamentary Research Service, June 2019

[Connecting Europe Facility](#)

'EU Legislation in Progress' briefing by Marketa Pape, European Parliamentary Research Service, April 2019

[New technologies and regional policy: Towards the next cohesion policy framework](#)

Study by the Scientific Foresight Unit (STOA), European Parliamentary Research Service, July 2018

[Women in local and regional government](#)

At a glance note by Vasilis Margaras, European Parliamentary Research Service, March 2019

[Transnational clusters and the Danube macro-regional strategy](#)

Briefing by Christiaan van Lierop, European Parliamentary Research Service, March 2019

[European Maritime and Fisheries Fund 2021-2027](#)

'EU Legislation in Progress' briefing by Frederik Scholaert, European Parliamentary Research Service, May 2019

[Research for REGI Committee – Digital agenda and cohesion policy](#)

Study by European Parliament's Policy Department for Structural and Cohesion Policies, June 2018

[Digital tourism in the European Union](#)

Briefing by Maria Niestadt, European Parliamentary Research Service, September 2018

[Guide to EU Funding](#)

Guide to EU Funding 2014-2020 by Vasilis Margaras, European Parliamentary Research Service, February 2017

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