

AT A GLANCE

Requested by the REGI Committee
Study in Focus

The impacts of the COVID-19 pandemic on EU cohesion and EU cohesion policy Part I: Overview and first analysis



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The COVID-19 pandemic was a major shock deeply impacting people, enterprises, public authorities, municipalities and regions.

In many **regards the pandemic has accelerated fragmentation between societal groups and between places.** Many of the pandemic impacts highlight **the risks of increasing inequalities.**

The worst and most direct impacts have been avoided by swift policy actions. In this context Cohesion Policy played an important role.



Main observations

The study

presents an overview and an analysis of the role of EU Cohesion Policy in avoiding the worst and most direct impacts of the COVID-19 pandemic.

Cohesion Policy reacted promptly to the emergency. The introduction of new measures to counteract the socio-economic effects of the pandemic were extremely important.

The new Coronavirus Response Investment Initiatives (CRII/CRII+) and the Recovery Assistance for Cohesion and the Territories of Europe (REACT-EU) provided liquidity, simplicity and flexibility to the Cohesion Policy actions targeting needs that emerged

during the pandemic. Cohesion Policy played a role in **cushioning socio-economic impacts** in the areas most severely affected.

Cohesion policies resources were shifted from measures supporting mainly long-term strategic investments in national and regional development towards extra support to struggling SMEs, citizens and the healthcare sector.

However, the administrative workload required to ensure that 2014-2020 Cohesion Policy programmes could swiftly respond to the emergency reduced resources available for preparing 2021-2027 programmes. This could lead to internal structural gaps hindering an effective reaction to the consequences of the pandemic and optimal use of available resources.

Conclusions and policy recommendations

In general terms, the pandemic risks reinforcing existing imbalances and inequalities in the EU. Existing differences may also widen at lower geographical levels between places, groups of society and people in Europe. **Convergence in the EU may be reversed.**

Recovery outlooks also vary considerably. In particular **regions heavily dependent on tourism** might need several years to recover from the pandemic. Also more **remote rural areas** might face lasting challenges such as increasing digitalisation pressure. **Many cross-border regions** were heavily affected at the beginning of the pandemic due to the closure of national borders.

The key lessons from this study include the following points:

Cohesion Policy can respond to crises. Addressing new challenges and crises by setting up new EU funding instruments, should only be considered when existing instruments are unable to respond.

Shift funding from emergency to cohesion projects. The focus on high quality projects with a clear cohesion perspective needs to be strengthened again as the need for emergency interventions decreases.



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Attention to areas with slower recovery prospects. To reduce risks of rising regional inequalities due to different speeds in the recovery Cohesion Policy should pay particular attention to tourism regions, remote rural areas, small towns, cross-border regions and other areas facing more long-lasting negative impacts or slower recovery paths.

Cohesion Policy programmes need to engage with a long-term vision to ensure the transition towards a green and digital cohesive future which brings Europe closer to the citizens.

Cohesion Policy needs multi-level governance and partnership principles. These are important cornerstones of Cohesion Policy and need to be ensured and re-emphasised where they have weakened.

To ensure good quality and strategic aspects of programmes and to overcome recent capacity constraints in terms of time and staff available, **administrative support and the possibility for re-programming should be considered.**

2023 should be a moment to reflect on the post-Covid policies and long-term orientation of Cohesion

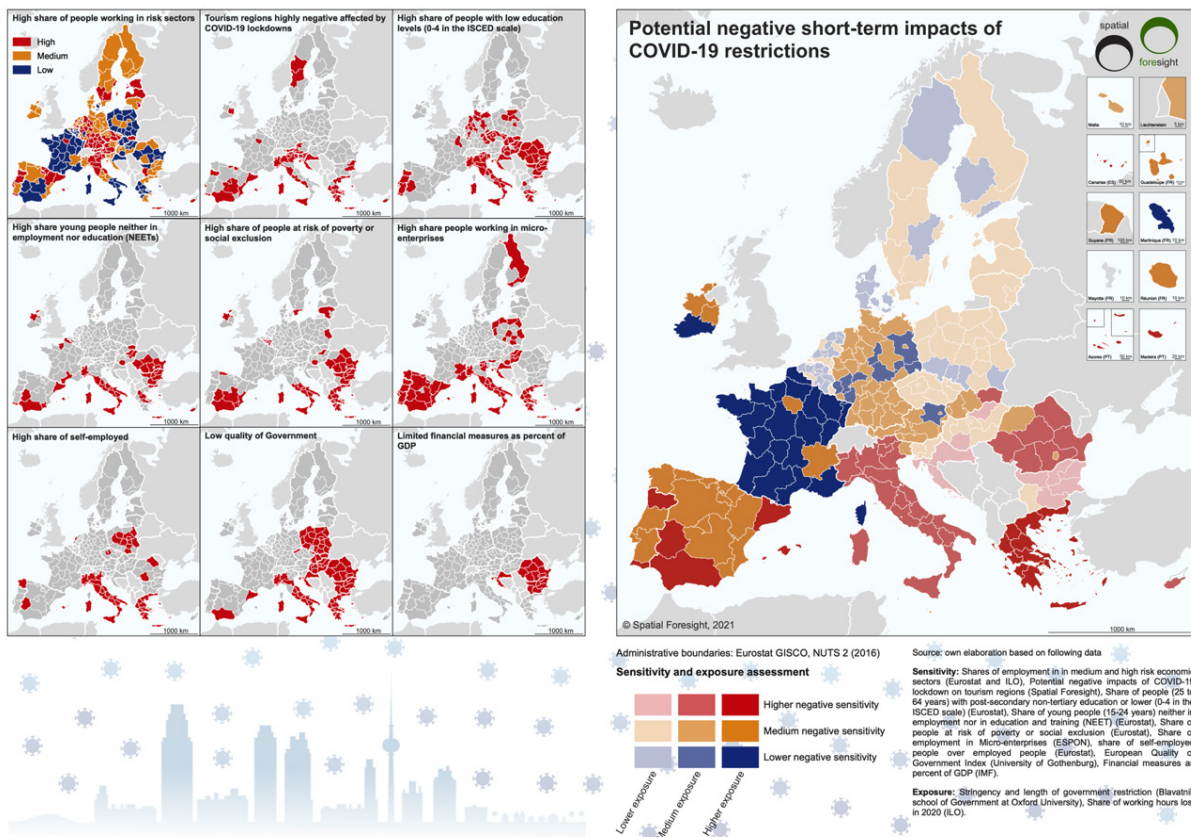
Policy. Possible reorientation of the Cohesion Policy programmes should be considered.

There is a **need for a broad discussion about post-2027 Cohesion Policy.** This should be an Europe-wide discussion on the understanding of the cohesion and the need to mitigate territorial and social fragmentation.

Key areas for EU action

1. Cohesion Policy can respond to crisis.
2. Shift funding from emergency to cohesion projects.
3. Attention to areas with slower recovery prospects.
4. Need for ambitious long-term perspective.
5. Cohesion needs multi-level governance.
6. Administrative support and the possibility for re-programming should be considered.
7. 2023 as a moment to reflect on the short- and long-term future of Cohesion Policy.

Map: Potential negative short-term impacts of COVID-19 restrictions



Source: Spatial Foresight, 2021.

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