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# **DRAFT REPORT**

on the ninth report on economic and social cohesion  
(2024/2107(INI))

Committee on Regional Development

Rapporteur: Jacek Protas

## CONTENTS

	<b>Page</b>
MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION.....	3
EXPLANATORY STATEMENT .....	9

## MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

### on the ninth report on economic and social cohesion (2024/2107(INI))

*The European Parliament,*

- having regard to Articles 2 and 3 of the Treaty on European Union,
- having regard to Articles 4, 162, 174 to 178, and 349 of the Treaty on the Functioning of the European Union (TFEU),
- having regard to Regulation (EU) 2021/1060 of the European Parliament and of the Council of 24 June 2021 laying down common provisions on the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, the Just Transition Fund and the European Maritime, Fisheries and Aquaculture Fund and financial rules for those and for the Asylum, Migration and Integration Fund, the Internal Security Fund and the Instrument for Financial Support for Border Management and Visa Policy<sup>1</sup> (Common Provisions Regulation),
- having regard to Regulation (EU) 2021/1058 of the European Parliament and of the Council of 24 June 2021 on the European Regional Development Fund and on the Cohesion Fund<sup>2</sup>,
- having regard to Regulation (EU) 2021/1059 of the European Parliament and of the Council of 24 June 2021 on specific provisions for the European territorial cooperation goal (Interreg) supported by the European Regional Development Fund and external financing instruments<sup>3</sup>,
- having regard to Regulation (EU) 2021/1057 of the European Parliament and of the Council of 24 June 2021 establishing the European Social Fund Plus (ESF+) and repealing Regulation (EU) No 1296/2013<sup>4</sup>,
- having regard to Regulation (EU) 2021/1056 of the European Parliament and of the Council of 24 June 2021 establishing the Just Transition Fund<sup>5</sup>,
- having regard to Regulation (EU) 2021/2115 of the European Parliament and of the Council of 2 December 2021 establishing rules on support for strategic plans to be drawn up by Member States under the common agricultural policy (CAP Strategic Plans) and financed by the European Agricultural Guarantee Fund (EAGF) and by the European Agricultural Fund for Rural Development (EAFRD) and repealing Regulations (EU) No 1305/2013 and (EU) No 1307/2013<sup>6</sup>,

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<sup>1</sup> OJ L 231, 30.6.2021, p. 159, ELI: <http://data.europa.eu/eli/reg/2021/1060/oj>.

<sup>2</sup> OJ L 231, 30.6.2021, p. 60, ELI: <http://data.europa.eu/eli/reg/2021/1058/oj>.

<sup>3</sup> OJ L 231, 30.6.2021, p. 94, ELI: <http://data.europa.eu/eli/reg/2021/1059/oj>.

<sup>4</sup> OJ L 231, 30.6.2021, p. 21, ELI: <http://data.europa.eu/eli/reg/2021/1057/oj>.

<sup>5</sup> OJ L 231, 30.6.2021, p. 1, ELI: <http://data.europa.eu/eli/reg/2021/1056/oj>.

<sup>6</sup> OJ L 435, 6.12.2021, p. 1, ELI: <http://data.europa.eu/eli/reg/2021/2115/oj>.

- having regard to Regulation (EU) 2020/460 of the European Parliament and of the Council of 30 March 2020 amending Regulations (EU) No 1301/2013, (EU) No 1303/2013 and (EU) No 508/2014 as regards specific measures to mobilise investments in the healthcare systems of Member States and in other sectors of their economies in response to the COVID-19 outbreak (Coronavirus Response Investment Initiative)<sup>7</sup>,
- having regard to Regulation (EU) 2020/558 of the European Parliament and of the Council of 23 April 2020 amending Regulations (EU) No 1301/2013 and (EU) No 1303/2013 as regards specific measures to provide exceptional flexibility for the use of the European Structural and Investments Funds in response to the COVID-19 outbreak<sup>8</sup>,
- having regard to Regulation (EU) 2020/461 of the European Parliament and of the Council of 30 March 2020 amending Council Regulation (EC) No 2012/2002 in order to provide financial assistance to Member States and to countries negotiating their accession to the Union that are seriously affected by a major public health emergency<sup>9</sup>,
- having regard to Regulation (EU) 2020/2221 of the European Parliament and of the Council of 23 December 2020 amending Regulation (EU) No 1303/2013 as regards additional resources and implementing arrangements to provide assistance for fostering crisis repair in the context of the COVID-19 pandemic and its social consequences and for preparing a green, digital and resilient recovery of the economy (REACT-EU)<sup>10</sup>,
- having regard to Regulation (EU) 2022/562 of the European Parliament and of the Council of 6 April 2022 amending Regulations (EU) No 1303/2013 and (EU) No 223/2014 as regards Cohesion’s Action for Refugees in Europe (CARE)<sup>11</sup>,
- having regard to Regulation (EU) 2022/2039 of the European Parliament and of the Council of 19 October 2022 amending Regulations (EU) No 1303/2013 and (EU) 2021/1060 as regards additional flexibility to address the consequences of the military aggression of the Russian Federation FAST (Flexible Assistance for Territories) – CARE<sup>12</sup>,
- having regard to the 9th Cohesion Report, published by the Commission on 27 March 2024<sup>13</sup>, and the Commission communication of 27 March 2024 on the 9th Cohesion Report (COM(2024)0149),
- having regard to the Commission report of February 2024 entitled ‘Forging a sustainable future together – Cohesion for a competitive and inclusive Europe’<sup>14</sup>,

<sup>7</sup> OJ L 099, 31.3.2020, p. 5, ELI: <http://data.europa.eu/eli/reg/2020/460/oj>.

<sup>8</sup> OJ L 130, 24.4.2020, p. 1, ELI: <http://data.europa.eu/eli/reg/2020/558/oj>.

<sup>9</sup> OJ L 099, 31.3.2020, p. 9, ELI: <http://data.europa.eu/eli/reg/2020/461/oj>.

<sup>10</sup> OJ L 437, 28.12.2020, p. 30, ELI: <http://data.europa.eu/eli/reg/2020/2221/oj>.

<sup>11</sup> OJ L 109, 8.4.2022, p. 1, ELI: <http://data.europa.eu/eli/reg/2022/562/oj>.

<sup>12</sup> OJ L 275, 25.10.2022, p. 23, ELI: <http://data.europa.eu/eli/reg/2022/2039/oj>.

<sup>13</sup> European Commission: Directorate-General for Regional and Urban Policy, Durán Laguna, J., D’Apice, P., Grzegorzewska, M., De Franceschi, F. et al., *Ninth report on economic, social and territorial cohesion*, Durán Laguna, J.(editor), Publications Office of the European Union, 2024.

<sup>14</sup> European Commission: Directorate-General for Regional and Urban Policy, *Forging a sustainable future together – Cohesion for a competitive and inclusive Europe – Report of the High-Level Group on the Future of Cohesion Policy, February 2024*, Publications Office of the European Union, 2024.

- having regard to the opinion of the European Economic and Social Committee of 31 May 2024 on the 9th Cohesion Report<sup>15</sup>,
  - having regard to the opinion of the Committee of the Regions of 21 November 2024 entitled ‘A renewed Cohesion Policy post 2027 that leaves no one behind – CoR responses to the 9th Cohesion Report and the Report of the Group of High-Level Specialists on the Future of Cohesion Policy’,
  - having regard to its resolution of 15 September 2022 on economic, social and territorial cohesion in the EU: the 8th Cohesion Report<sup>16</sup>,
  - having regard to its resolution of 23 November 2023 on harnessing talent in Europe’s regions<sup>17</sup>,
  - having regard to its resolution of 14 March 2024 entitled ‘Cohesion policy 2014-2020 – implementation and outcomes in the Member States’<sup>18</sup>,
  - having regard to the study entitled ‘Streamlining EU Cohesion Funds: addressing administrative burdens and redundancy’, published by its Directorate-General for Internal Policies of the Union in November 2024<sup>19</sup>,
  - having regard to the opinion in the form of a letter from the Committee on Agriculture and Rural Development (XXX),
  - having regard to Rule 55 of its Rules of Procedure,
  - having regard to the report of the Committee on Regional Development (A10-0000/2024),
- A. whereas cohesion policy is the EU’s main tool for investment in economic and social development across the EU under its multiannual financial frameworks for the periods of 2014-2020 and 2021-2027;
- B. whereas cohesion policy has fostered economic and social convergence in the EU, notably by increasing the gross domestic products of central and eastern European Member States, from 43 % of the EU average in 1995 to around 80 % in 2023; whereas the 9th Cohesion Report highlights that, by the end of 2022, cohesion policy supported over 4.4 million businesses, creating more than 370 000 jobs in these companies; whereas cohesion policy constituted, on average, around 13 % of total public investment in the EU;
- C. whereas between 2021 and 2027, cohesion policy will have invested over EUR 140 billion in the green and digital transitions, to help improve networks and

<sup>15</sup> OJ C, C/2024/4668, 9.8.2024, ELI: <http://data.europa.eu/eli/C/2024/4668/oj>.

<sup>16</sup> [OJ C 125, 5.4.2023, p. 100.](#)

<sup>17</sup> OJ C, C/2024/4225, 24.7.2024, ELI: <http://data.europa.eu/eli/C/2024/4225/oj>.

<sup>18</sup> OJ C, C/2024/6562, 12.11.2024, ELI: <http://data.europa.eu/eli/C/2024/6562/oj>.

<sup>19</sup> Wojtowicz, D., *Research for REGI Committee – Streamlining EU Cohesion funds: addressing administrative burdens and redundancy*, European Parliament, Policy Department for Structural and Cohesion Policies, Directorate-General for Internal Policies, 2024.

infrastructure, support nature conservation, improve digital skills and foster job creation;

- D. whereas despite the widely acknowledged and proven positive impact of cohesion policy on social and economic convergence, significant challenges remain, marked notably by development disparities at sub-national level, and by the impact of climate change, in terms of demography but also in terms of economic development, in particular in least developed regions;
  - E. whereas cohesion policy has repeatedly and efficiently helped regions to respond effectively to emergencies and asymmetric shocks such as the COVID-19 crisis, Brexit and the refugee crisis caused by Russia's invasion of Ukraine;
  - F. whereas despite measures already taken for the 2014-2020 and 2021-2027 periods, the regulatory framework governing the use and administration of cohesion policy instruments and funds should be further simplified, with the objective of reducing the administrative burden, not only for the relevant authorities but also for the beneficiaries;
  - G. whereas radical modifications of the regulatory framework, from one programming period to the next, contribute to insecurity among the authorities responsible, gold-plating of legislation, increased error rates (and the accompanying negative reputational and financial consequences), delays in implementation and, ultimately, disaffection among beneficiaries;
  - H. whereas demographic changes vary significantly across regions, with the populations of some Member States facing a projected decline in the coming years and others projected to grow; whereas demographic changes also take place between regions, generally observed as exoduses from rural to urban areas within Member States;
  - I. whereas particular attention needs to be paid to rural areas, as well as areas affected by industrial transition and regions that suffer from severe and permanent natural or demographic handicaps, such as the outermost regions, the northern sparsely populated regions, islands, mountainous areas and cross-border regions;
  - J. whereas Russia's war of aggression against Ukraine has a strong impact on the employment, economic development and opportunities, and general well-being of the population living in regions bordering Ukraine, Belarus and Russia; whereas this war leads to an unprecedented number of people seeking shelter in the EU, placing an additional burden on local communities and services;
1. Insists that the regional focus, place-based approach and strategic planning of the cohesion policy, as well as its decentralised programming and implementation model based on the partnership principle and multi-level governance, are key elements of the policy, and determine its effectiveness; is firmly convinced that this model of cohesion policy should be continued as the EU's main investment instrument for reducing disparities, ensuring economic, social and territorial cohesion and stimulating regional and local sustainable growth, and as a key contributor to EU competitiveness and just transition, as well as helping to cope with challenges ahead;
  2. Is convinced that cohesion policy can only continue to play its role if it has solid funding; stresses that it is necessary to provide funding that is ambitious enough to

- allow the cohesion policy to continue to fulfil its role as the EU's main investment policy, while retaining the flexibility to meet potential new challenges;
3. Calls for further efforts to simplify and streamline the rules and administrative procedures governing the cohesion policy funds, building on the existing and well-established shared management framework, in order to strengthen confidence among users, thus encouraging participation of a broader range of actors in projects supported and maximising the impact of the funds;
  4. Calls on the Commission and the Member States to give regions greater flexibility, already at the programming stage, in order to cater for their particular needs and specificities; finds it necessary to consider moving away from a rigid thematic concentration that is uniform across all regions;
  5. Acknowledges that the green and digital transitions present significant challenges to the objective of economic, social and territorial cohesion; is aware of the risk of a widening of regional disparities, a deepening of social inequalities and a rising 'geography of discontent' related to the transition process;
  6. Is convinced that cohesion policy needs to continue to foster the principle of just transition, addressing the specific needs of regions, while leaving no territory and no one behind; calls for continued financing of the just transition process, with the Just Transition Fund fully integrated into the Common Provisions Regulation and endowed with adequate financial means for the post-2027 programming period;
  7. Underlines the need to improve the relationship between cohesion policy and EU economic governance, while avoiding a punitive approach; stresses that the European Semester should comply with cohesion policy objectives under Articles 174 and 175 TFEU; calls for the participation of the regions in the fulfilment of these objectives and for a stronger territorial approach; calls for a process of reflection on the concept of macroeconomic conditionality and for the possibility to be explored of replacing this concept with new forms of conditionality, to better reflect the new challenges ahead;
  8. Stresses the role of cohesion policy instruments in supporting regions and local areas that are coping with demographic evolution, including, among others, challenges related to depopulation, ageing, brain drain, skills shortages and workforce imbalances across regions;
  9. Recognises the importance of supporting specific solutions for regions with severe and permanent economic and demographic difficulties, aiming at, among other things, improving the provision of services, fostering economic diversification and job creation, and helping them respond to challenges such as rural desertification, population ageing, depopulation, loneliness and isolation, as well as insufficient healthcare and education opportunities;
  10. Calls on the Commission to support the Member States and regions affected by Russia's war of aggression against Ukraine through tailor-made tools under the cohesion policy, as well as supporting them to make the most of the possibilities offered by the cohesion policy funds, including Interreg, in a flexible way, to help cope with the detrimental socio-economic impact of the war on their populations;

11. Recalls the ‘do no harm to cohesion’ principle, meaning that no action should hamper the convergence process or contribute to regional disparities; calls for a stronger integration of this principle as a cross-cutting principle in all EU policies, so that they support the objectives of social, economic and territorial cohesion, as set out in Articles 3 and 174 TFEU; insists that promoting cohesion should also be seen as a way of fostering solidarity and mutual support among Member States and their regions;
12. Instructs its President to forward this resolution to the Council, the Commission, the European Economic and Social Committee, the European Committee of the Regions and the national and regional parliaments of the Member States;



## EXPLANATORY STATEMENT

The Commission published the Ninth Cohesion Report on 27th March 2024, it is therefore the last one before the publication of the Commission proposals for a renewed regulatory framework for the cohesion policy post-2027, expected in 2025. In this context, the rapporteur finds it is particularly important to draw conclusions from the Ninth Cohesion Report's findings on the progress of the economic, social and territorial cohesion in the EU, against the background of developments and challenges it has been facing over the last years, and those it will likely need to face in the future.

The conclusions of the Ninth Cohesion Report confirm that the EU cohesion policy has a positive and significant impact in terms of convergence. It reduces the disparities among EU Member States and regions not only in terms of GDP level, but also in terms of reduction of unemployment and increase of productivity, it stimulates long-term growth and competitiveness, and it plays a key role in supporting public investment. Cohesion policy's impact in the longer perspective proves its value as an important long-term investment tool.

Moreover, the Ninth Cohesion Report concludes, that the core principles, namely the bottom-up approach, multi-level governance, and partnership principle are of key importance.<sup>1</sup> The Rapporteur is convinced, that these principles largely determine the policy's effectiveness, and must be further enhanced. For that reason, it would be a mistake to apply to the cohesion policy a *par excellence* centralised model, like the one behind the RRF.

Cohesion policy has been a key part of the EU response to numerous crises over the past years. It proved to be a flexible and effective tool, adaptable to unexpected challenges, such as the coronavirus pandemic, or the multidimensional impact of Russian war of aggression against Ukraine. In the future, EU is likely to be confronted with further such challenges, coupled with the impact of natural disasters due to climate change. The Rapporteur is convinced that the policy's flexibility is a necessity in this context. However, it is of fundamental importance, that the cohesion policy budget is ambitious enough to allow the policy to preserve at the same time its aforementioned core function as the EU's long-term investment tool.

The subnational disparities and uneven convergence across the regions, with some of them stuck in development trap, remain an issue to be addressed. The Ninth Cohesion Report notes that for each region there is a diversity of reasons behind it. There is also a risk that future challenges might further widen the disparities, as they affect regions unevenly. Cohesion policy must therefore provide solutions allowing for a tailor-made approach to each region.

The Rapporteur notes with concern the situation of regions on the EU Eastern border affected by Russian war of aggression against Ukraine<sup>2</sup> and insists on the need to ensure EU support for these regions, fully adapted to their specific needs.

Climate change is one of those challenges that affect regions unevenly, and the Rapporteur

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<sup>1</sup> See, for instance, Commission communication of 27 March 2024 on the 9th Cohesion Report (p. 21): *'People on the ground have more knowledge of the exact needs of their territory. As such they must be involved in decision and policy making. (...) Further reflection is needed on how to best involve sub-national authorities and other relevant stakeholders, and enhance territorial multi-level governance mechanisms'*

<sup>2</sup> In this regard, see also the opinion of the Economic and Social Committee of 31 May 2024 on 9th Cohesion Report (ECO/646), point 1.9.

notes the related risk of deepening the disparities linked to the green and digital transition. In consequence, the Rapporteur firmly believes that just transition remains a valid concept, and its financing should be continued. Already for the years 2020-2027 the Cohesion Policy paved the way for supporting transition of formerly coal- and steel-dependent regions, by incorporating a transition-relevant objective into its programmes, and eventually also investing considerable funds into related fields. The Rapporteur notes that also other regions, including those affected by developments in the automotive sector, logistics or related industries and services, would require the same type of support in order to reduce the negative economic impacts of the deep transition process they are undergoing. Just Transition Fund, as one of the EU tools in this area, needs to be part of the cohesion policy, subject to its rules under a common provisions regulation, and with the appropriate level of funding.

The Rapporteur is aware that excessive administrative burden discourages the uptake of funds, and complex rules may contribute to higher error rates rather than an effective protection of EU financial resources. This implies, that there is a need for further simplification of cohesion policy rules and procedures. The Rapporteur insists however, that the simplification needs to benefit mainly the stakeholders implementing the funds, and modifications in this respect must fully preserve the shared management model.

This report comes as the first own-initiative report from REGI Committee in the 10th EP legislative term, just months before the European Commission puts forward its proposals for a new MFF as well as sectoral regulations.

Discussions on the potential evolution of cohesion policy are ongoing, and many stakeholders have already expressed their views. As co-legislator, the European Parliament has great responsibility in shaping the future of this policy, which has a direct impact on the lives and well-being of millions of citizens and businesses, and contributes to the socio-economic development and sustainability of the EU as a whole.

With this report, the Rapporteur intends to take stock of the positions expressed so far by our Parliament on the future of Cohesion Policy, in order to shape a position of the Parliament in the framework of the current discussions and in view of the future negotiations. In this context, the Rapporteur wishes to underline the importance of the work carried out by the members of the Committee on Regional Development in the past, in particular in the 9th term. His work builds on a number of European Parliament resolutions, such as the resolution on economic, social and territorial cohesion in the EU: the 8th Cohesion Report<sup>3</sup>, the resolution on harnessing talent in Europe's regions<sup>4</sup>, or the resolution on cohesion policy 2014-2020 - implementation and outcomes in the Member States<sup>5</sup>, among others.

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<sup>3</sup> European Parliament resolution of 15 September 2022 on economic, social and territorial cohesion in the EU: the 8th Cohesion Report (2022/2032(INI))

<sup>4</sup> European Parliament resolution of 23 November 2023 on harnessing talent in Europe's regions (2023/2044(INI))

<sup>5</sup> European Parliament resolution of 14 March 2024 on cohesion policy 2014-2020 - implementation and outcomes in the Member States (2023/2121(INI))