



Investing in Europe's future





5th Report on economic, social & territorial cohesion

A new Cohesion Policy to meet the challenges of a new decade

- I. Context**
- II. Impact of Cohesion Policy**
- III. Situation and trends**
- IV. Options for the future Cohesion Policy**



A new Cohesion Policy to meet the challenges of a new decade

I. Context

- Massive economic, social & demographic upheavals in Europe over recent years
- An improved cohesion policy is needed to meet these challenges in context of:
 - **New EU budget post 2013 - discussions underway**
 - ***Cohesion Policy today = more than 1/3 of total EU budget***
 - **New EU goals - ambitious targets for 2020 to address new challenges**



Cohesion Policy: key role to achieve EU 2020 goals

Europe 2020 Strategy – a new strategy for Europe

- *Smart growth*
- *Growth for all*
- *Sustainable growth*

EU Member States will propose national targets for 2011



Future Cohesion Policy must be aligned with Europe 2020

Funding will remain concentrated in less developed regions



What are the EU 2020 headline targets ?

- **Employment : 75%** (20-64) – '09: 69.1%
- **Education:**
 - max **10%** early school leavers – '09: 14.4%
 - **40%** higher education degree (30-34)– '09: 32.3%
- **Combating poverty: 20 million people** out of risk of poverty and exclusion – '09: 120 million
- **Climate change and energy: 20%/20%/20%** greenhouse gas emissions/renewable energy/energy efficiency
- **Research and Innovation: 3%** of GDP investments in R&D – '08: 1.9* (Estimate Eurostat)



II. Impact of Cohesion Policy

- Cohesion Policy has helped reducing economic, social & environmental disparities.
- Cohesion Policy has benefited all regions through direct investments and indirect trade benefits.
- Cohesion Policy supports investments in European priorities across the EU.



Some outputs from 2000 – 2006

- GDP per head 10% higher in poorest regions
- Estimated 1.4 million jobs created across EU
- over 1.3 million SMEs received assistance of some kind
- 4 700 km motorways and 1 200 km of high-speed rail built
- 10 million people/ year participate in training and skills projects
- modernised waste water treatment for an additional 23 million people, access to clean water for an additional 20 million

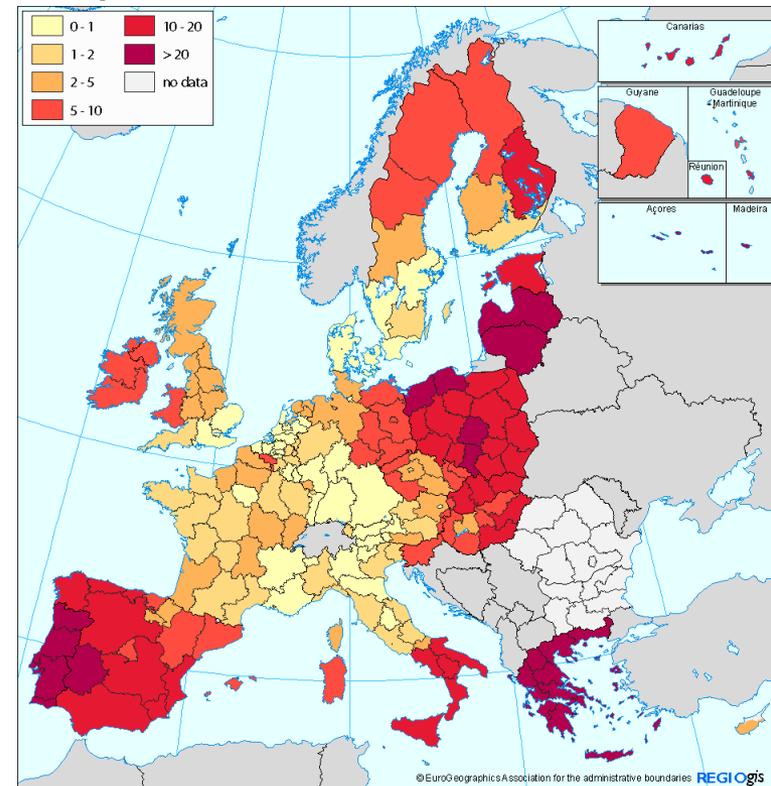


Cohesion Policy supports public investment

- In many regions Cohesion Policy does stimulate investments in European priorities such as environment, education, research
- Cohesion Policy accounts for a high share of total public investment in Convergence regions

Share of ERDF and Cohesion Fund in total Public Investment, 2002 - 2006

Percentage*

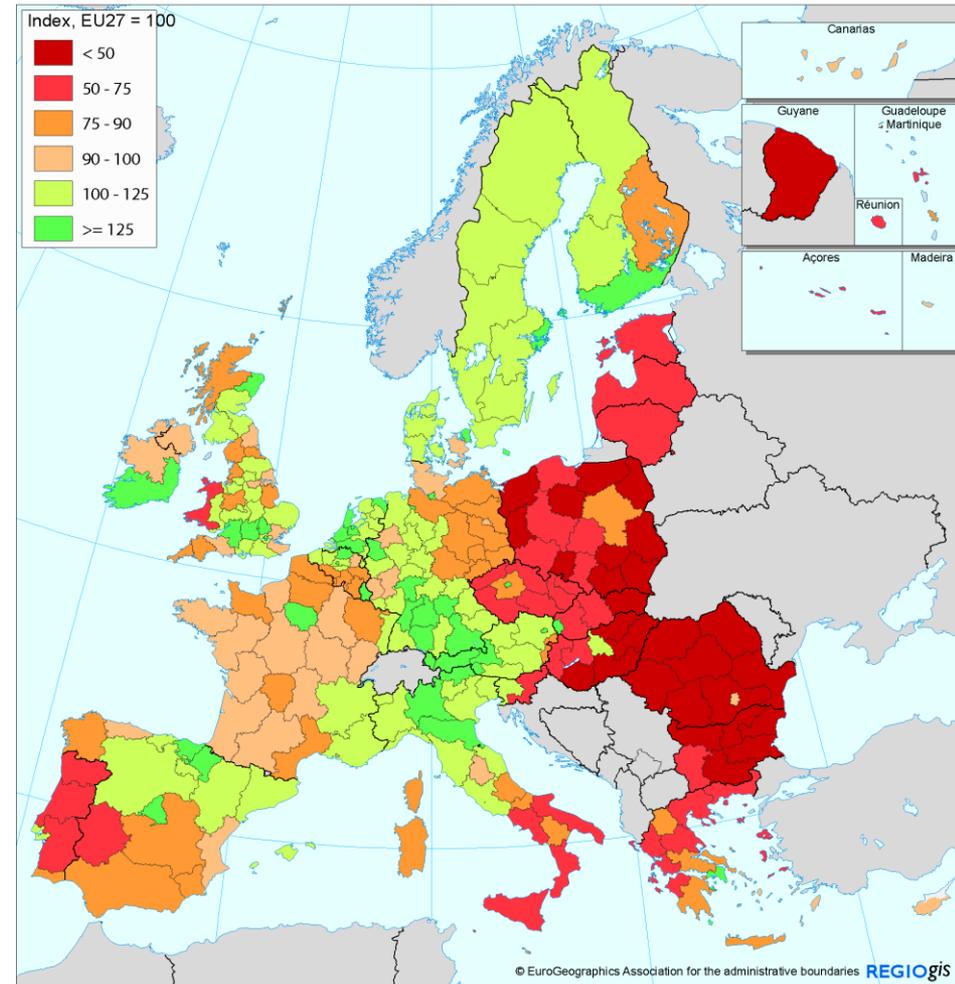




III. Situation and trends

GDP/head (PPS), 2007

- Regional disparities remain wide, especially between less and more developed regions
- The past ten years have helped to reduce disparities, but the crisis may disrupt this process





Situation and trends:

- Regions have increased employment rates & reduced unemployment rates between 2000 & 2008, but the crisis has disrupted this progress
- Poverty & deprivation have a strong regional dimension, concentrating in less developed regions & in urban (EU-15) & rural areas (EU-12)
- Investments in transport infrastructure have ensured sufficient infrastructure in the EU-15, but significant gaps remain in the EU-12
- More investment is needed to comply with EU environmental law, esp. in the EU-12
- Climate change will have a strong impact on many regions, esp. in southern & mountain regions



IV. Options for the future Cohesion Policy

- 1. Enhancing European added value**
- 2. Strengthening governance**
- 3. Streamlining delivery**
- 4. Architecture of Cohesion Policy**



1. Enhancing European added value

- Reinforcing strategic programming – *translate EU 2020 objectives into investment priorities*
- Focus resources on limited number of key priorities
- Introduce stronger incentives and conditionality
- Improving evaluation, performance and results
- Stronger emphasis on new financial instruments



2. Strengthening governance

- Reinforcing partnership (improve involvement of local and regional stakeholders, social partners, civil society)
- Introducing a new dimension: territorial cohesion
 - Reinforcing territorial co-operation (more cooperation between regions within a country, macro-regional strategies...)
 - Developing an ambitious urban agenda
 - Addressing areas with specific geographical or demographic features



3. Streamlining Delivery ...based on lessons learnt

- Improving financial management
- Reducing the administrative burden
- Simplifying financial discipline
- Reviewing financial control



4. Architecture of the policy

- Full geographical coverage distinguishing between:
 - Less developed regions
 - More developed regions
 - Transition regions
 - Simpler system – replaces current phasing-out and phasing-in system
 - Territorial cooperation with its 3 strands
- In line with the Budget Review:
 - Focus the ESF on securing the 2020 targets
 - Greater visibility and predictable funding volumes for the ESF
 - Contribution to European employment initiative



Timeline

- 19 October 2010: Budget Review (COM(2010)700)
- 10 November 2010: Fifth Cohesion Report
- 11 November 2010 – 31 January 2011: public consultation
- 31 January/1 February 2011: Cohesion Forum

- *Spring 2011: Proposal on future financial perspectives*
- *Summer 2011: Legislative proposals*
- *End 2012: Adoption of new legislative package and expected agreement on new budget post 2013*

- 2013: Finalisation of new programming documents
- 2014: Entry into force



Make your voice heard!

**Public consultation open until 31 January 2011:
ec.europa.eu/regional_policy/cohesion_report**

Thank you for your attention!



OPTIONAL SLIDES

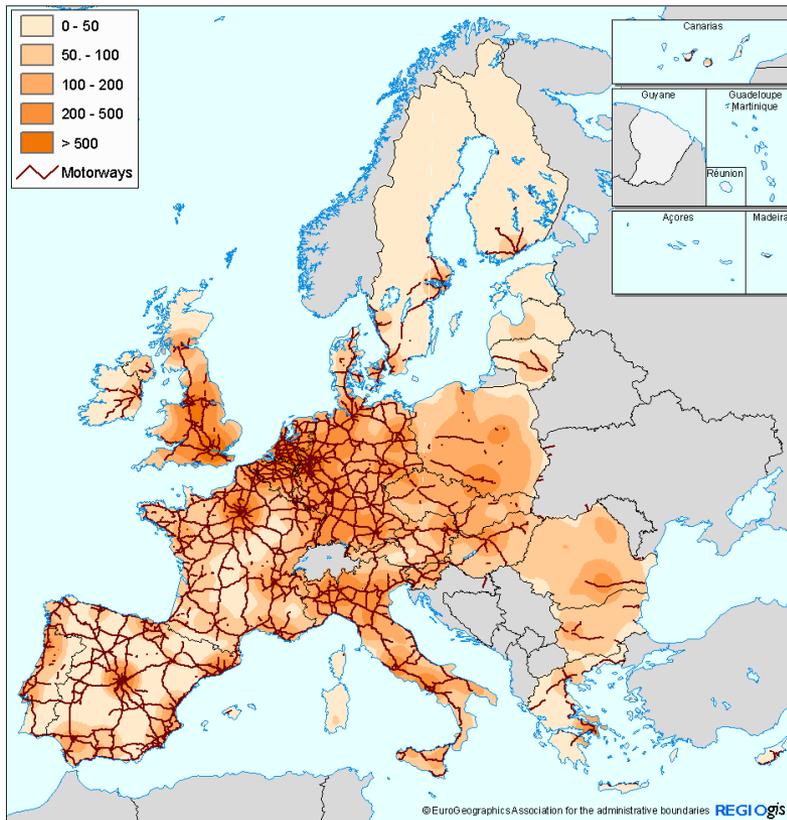




Sufficient transport infrastructure: a pre-condition for growth

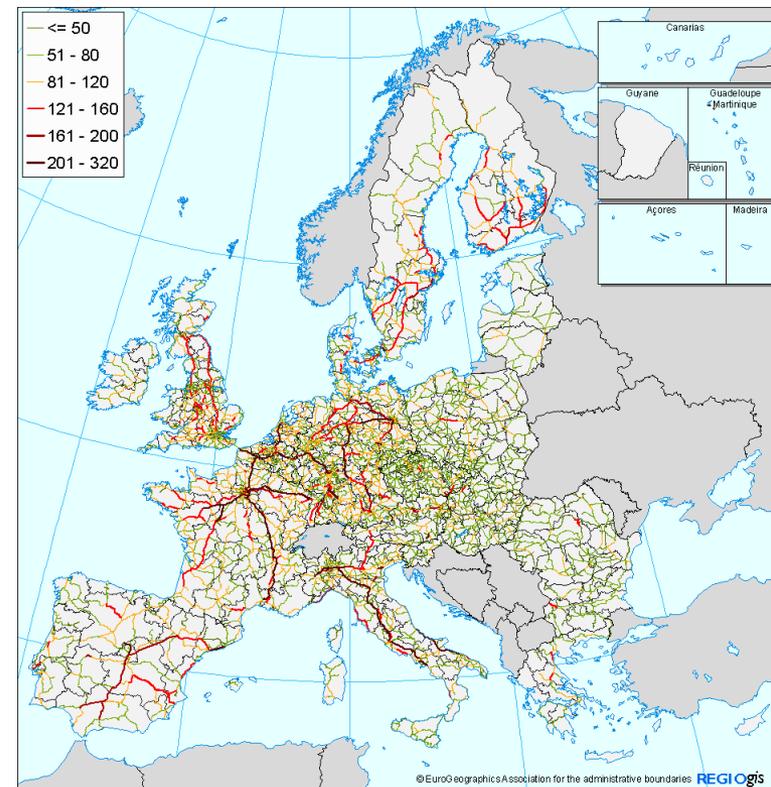
Motorways in relation to potential population

Potential population



Highest speed on railway sections according to timetables, 2010

km/h



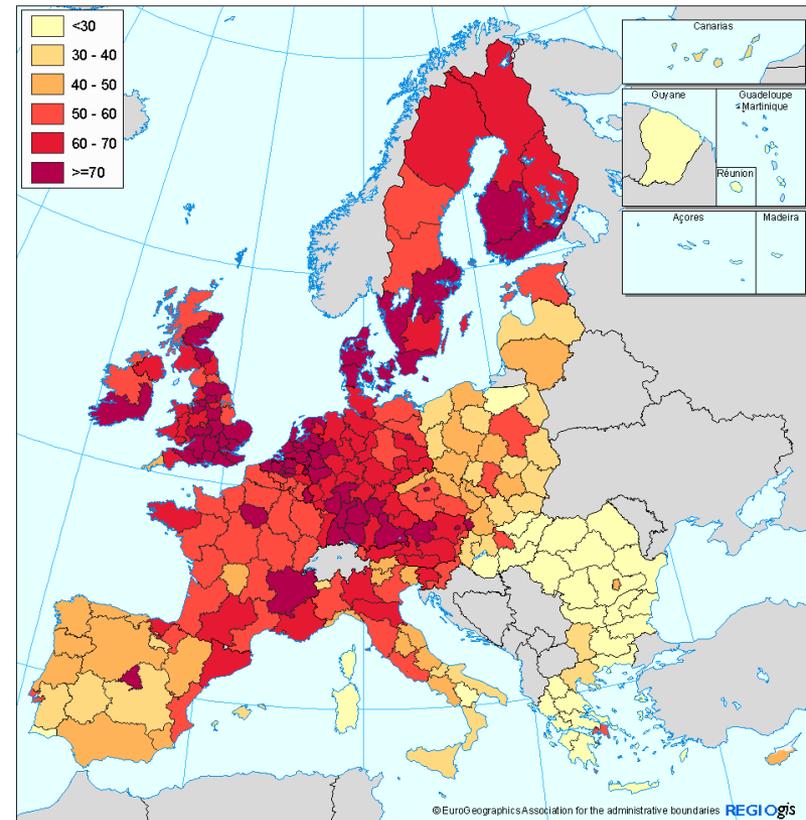


Improving competitiveness to respond to globalisation

- European firms need high skill and high value added activities to improve their global position
- Adapting to change and innovation are main sources of increased productivity and growth

Competitiveness Index, 2010

Index - Values range between 0 (low) and 100 (high)

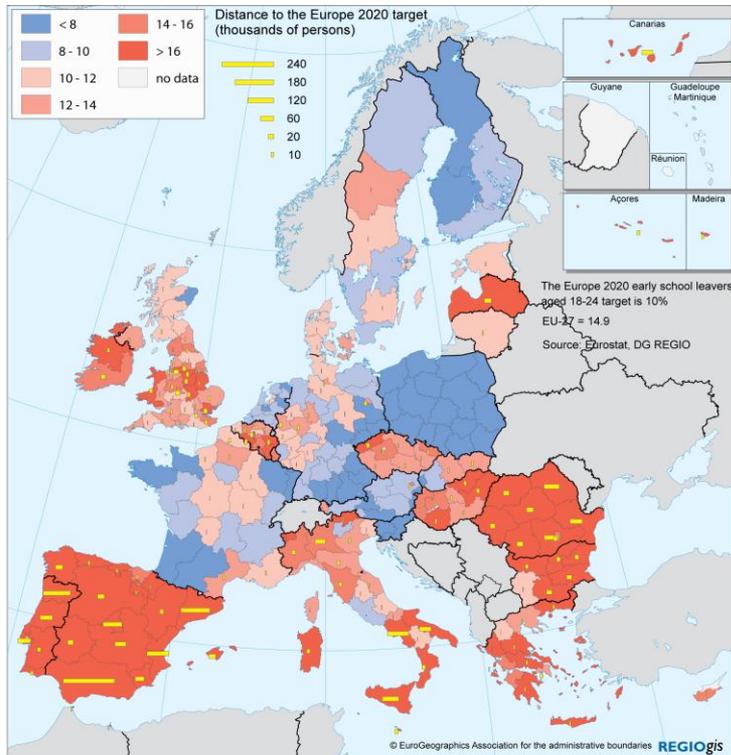




More tertiary educated and less early school leavers boost competitiveness

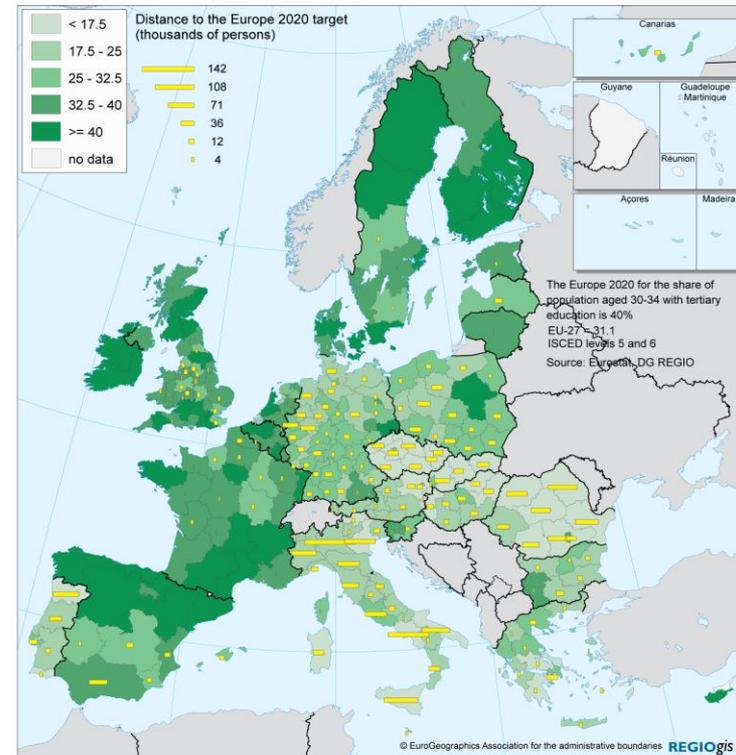
Early school leavers aged 18-24 in 2007-08 and distance to the Europe 2020 target

% of population aged 18-24



Population aged 30-34 with a tertiary education attainment, '08 and distance to the Europe '20 target

% of total population aged 30-34



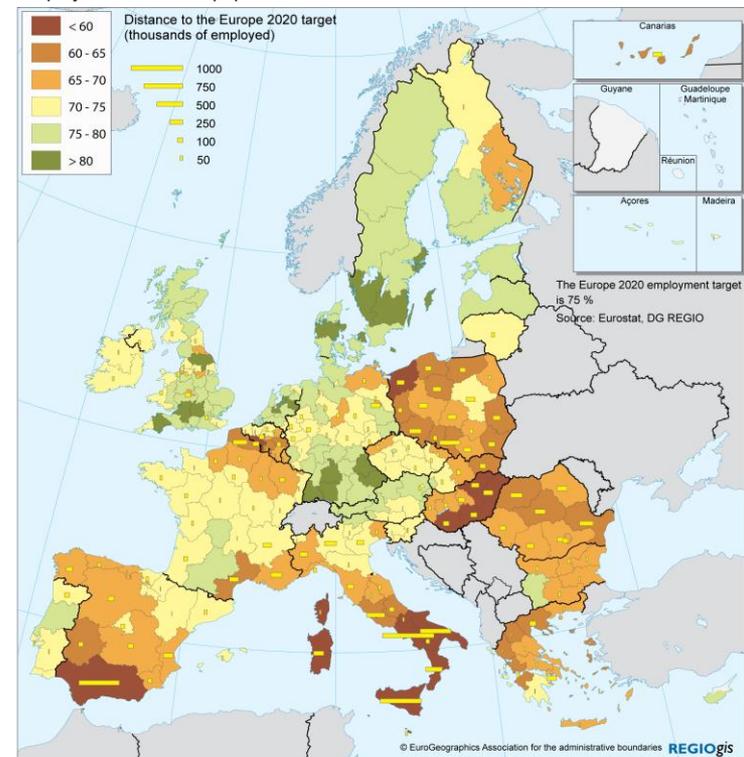


Increased competitiveness is necessary to boost employment

- The EU2020 target of a 75% employment rate can only be reached if all regions improve
- Convergence regions have a significant share of inactive population and need more than 10 million jobs to reach the target, more than in all other regions

Employment rate aged 20-64 in 2008 and distance to the Europe 2020 target

Employment rate % of population 20-64



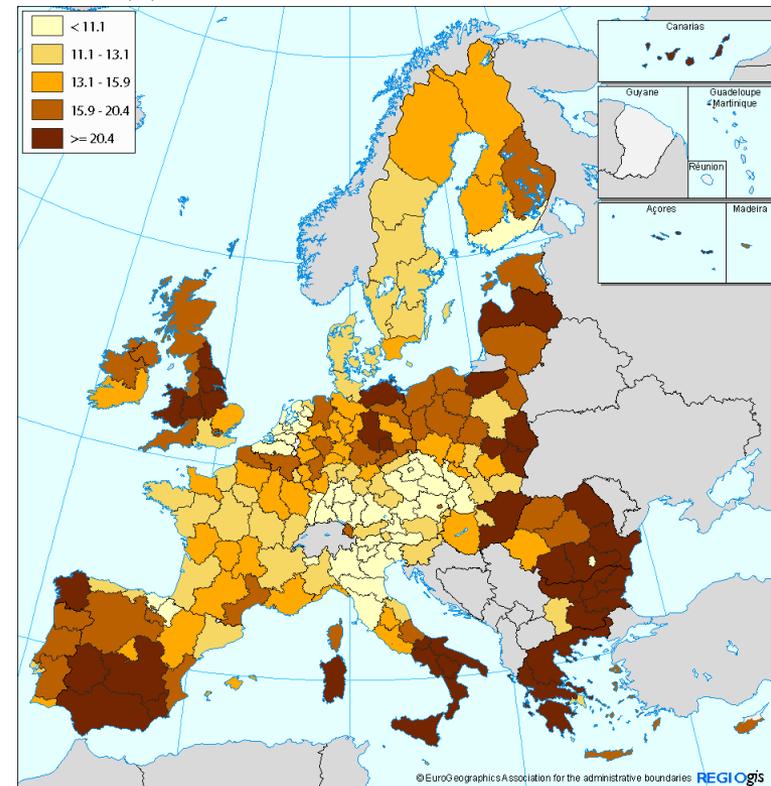


Poverty and Deprivation

- Poverty has a strong regional dimension
- It is high in less developed regions, such as those in the south of Italy and Spain and the east of Poland, Germany and Hungary
- It is also a problem in highly developed regions, such as London, Brussels and Vienna

At-risk-of-poverty rate after social transfers (below 60% of national median), 2008

in % of total population



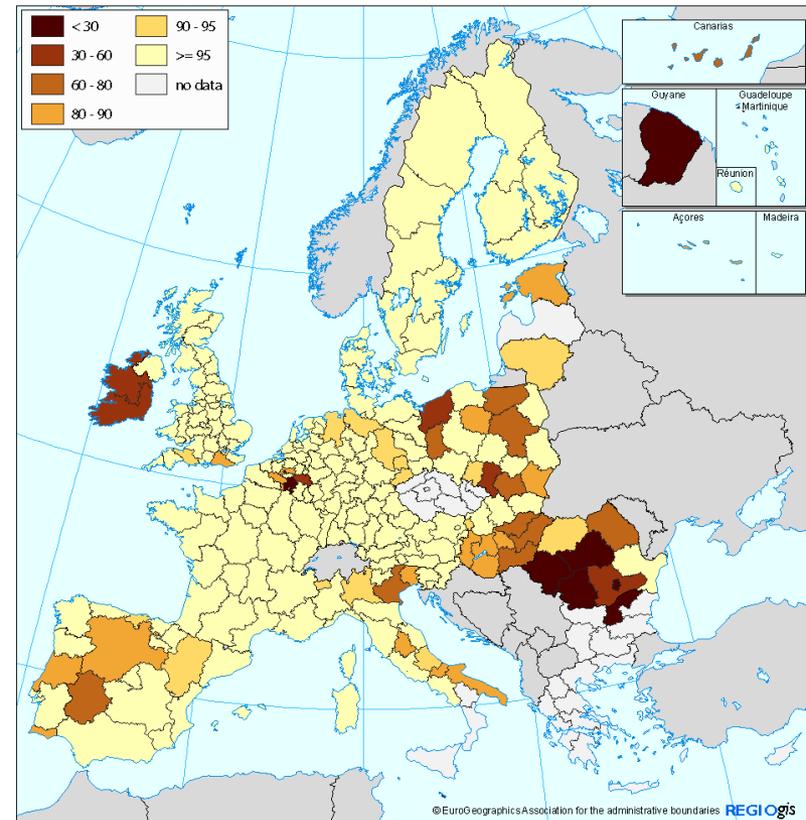


Urban waste water treatment

- Cohesion policy has constructed waste water treatment plants to cover an additional 23 million
- Significant gaps still remain, in particular in Poland, Hungary, Romania and Bulgaria

Urban waste water treatment capacity, 2007

Treatment capacity as % of generated load

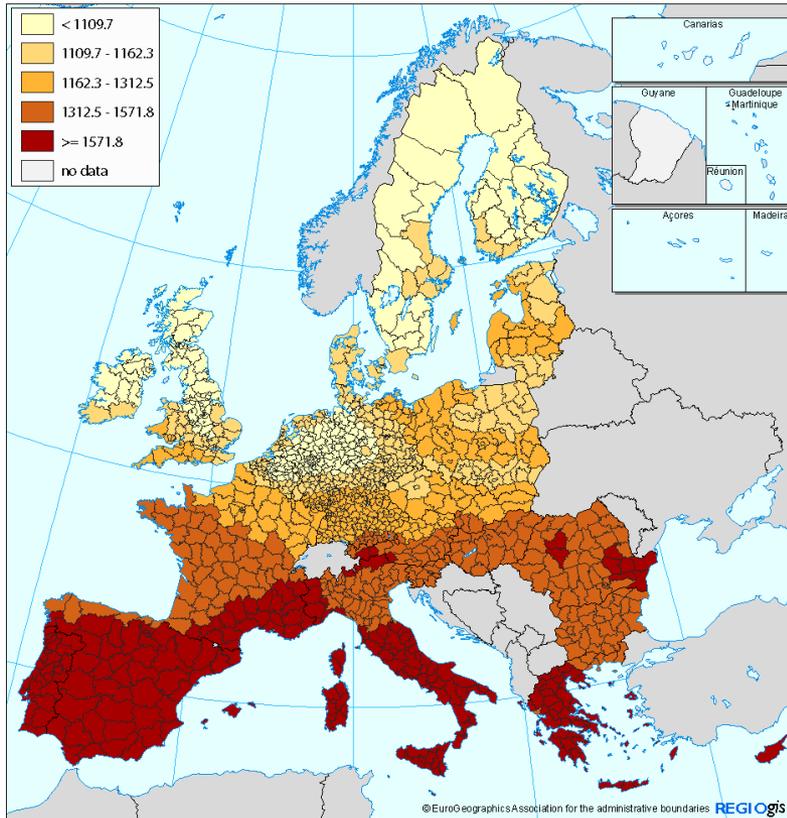




Renewable energy potential differs by region...

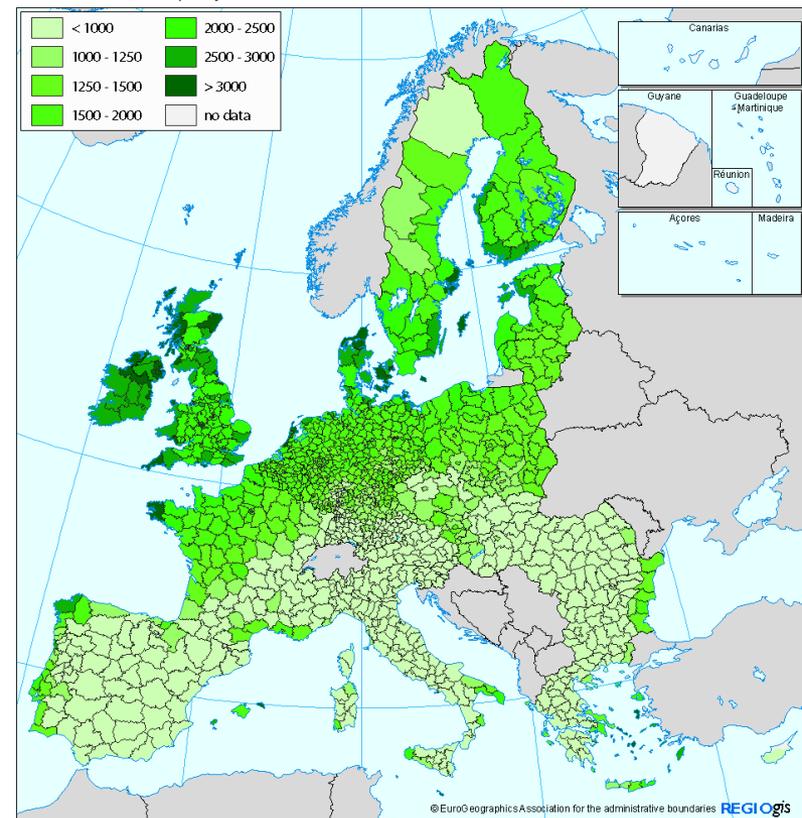
Solar energy resources per NUTS3 region

Average solar energy resources in kWh / year



Wind energy potential: onshore full load hours '00-'05

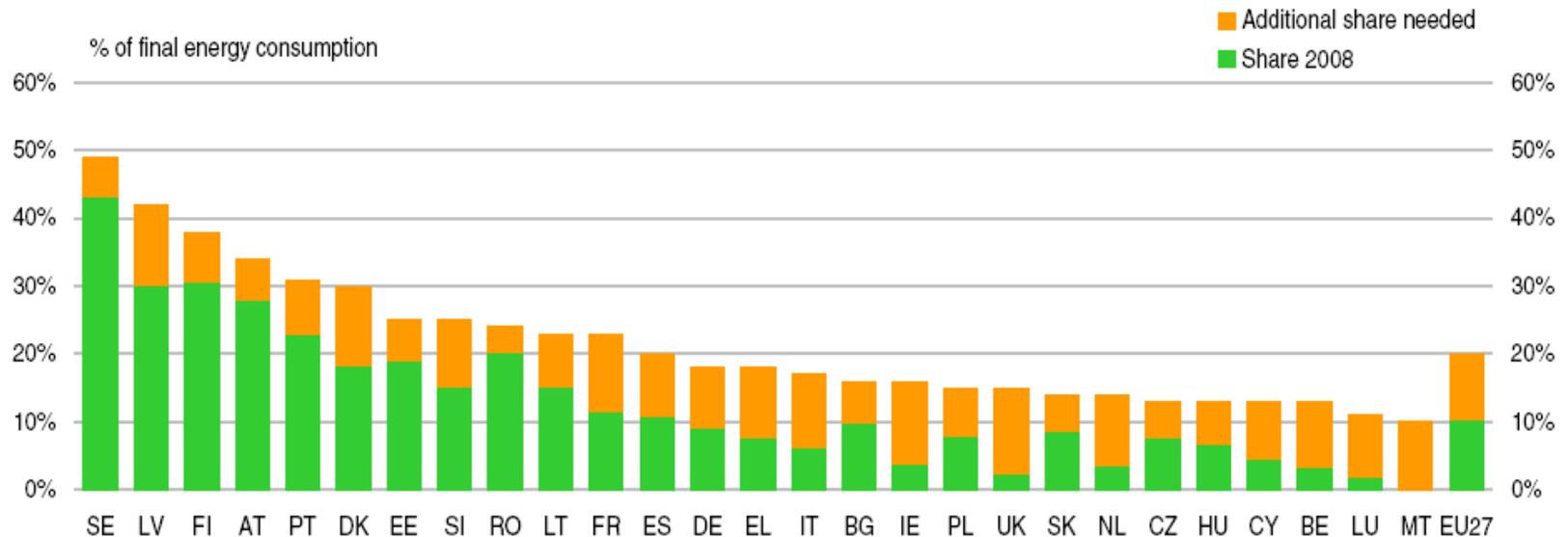
Number of hours per year





... and Member States agreed to increase renewable energy

1.40 Share of renewable energy in final energy consumption, 2008, and increase needed to meet the 20% target



Source: Eurostat