



## The Future of EU Finances: new Cohesion report fuels the discussion on EU funds after 2020

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**Today the Commission publishes the 7th Cohesion report, taking the pulse of EU regions, drawing lessons from cohesion spending during the crisis years and setting the scene for Cohesion Policy after 2020.**

Analysing the current state of the EU's economic, social and territorial cohesion, the Cohesion report brings our Union under a magnifying glass: Europe's economy is bouncing back but disparities persist between and within our Member States.

Public investment in the EU is still below pre-crisis levels but regions and Member States need even more support to take up the challenges identified in the [reflection paper](#) on the future of EU finances; the digital revolution, globalisation, demographic change and social cohesion, economic convergence and climate change.

Commissioner for Regional policy Corina **Crețu** said: *"The report clearly shows that our Union needs more cohesion. Whilst the crisis is over, it clearly has left scars in many regions. They will need Cohesion Policy to meet today's and tomorrow's challenges."*

Commissioner for Employment, Social Affairs, Skills and Labour Mobility, Marianne **Thyssen**, commented: *"The 2017 Cohesion report shows that meaningful investments are necessary for the current economic recovery to be sustainable. This is essential to make a difference for our economies, our labour force and the European people."*

The report does not pre-empt the final proposal of the Commission but it fuels the discussion on Cohesion Policy after 2020. It suggests **an EU-wide policy** serving three main purposes: **harnessing globalisation, leaving no one behind** and **supporting structural reforms**.

**An EU-wide policy:** In the last two decades, Cohesion Policy delivered results in all EU regions and was [a major source of investment](#). It directly created 1.2 million jobs in the EU over the last 10 years as growth-supportive public investments plunged in many Member States.

Regional economic gaps are slowly shrinking again. The reflection paper on the future of EU finances opened the discussion; should Cohesion Policy now only focus on less-developed regions?

Regions are growing, the Cohesion report shows, but not at the same pace. Many regions with a wealth close to the EU average seem stuck in a "middle-income trap".

Some have been bearing the costs of globalisation without yet reaping its benefits, often with substantial job losses and the incapacity to achieve industrial transformation. They will need further financial support to foster job creation and structural change.

In addition, the report highlights that the current level of investment is insufficient to reach the 2030 targets of shares of renewable energy and reduced greenhouse gas emissions. All EU regions will therefore need more funding to achieve decarbonisation.

**Harnessing globalisation:** To hold their own in a globalised economy, regions need to modernise their economies and create value. As only [a handful of EU regions](#) can today lead the way, further investments are needed in innovation, digitisation and decarbonisation. In addition to funding, efficient links should be fostered between research centres, businesses and services.

**Leaving no one behind:** Some regions face mass exodus, while many cities are under pressure due to newcomers seeking better prospects, including migrants. If the EU employment rate has reached a new high, [the unemployment rate](#), especially among young people, is still above pre-crisis levels.

Tackling unemployment, helping people develop their skills and set up businesses while fighting exclusion and discrimination will require further investment. The social cohesion of our Union in the near future depends on it.

**Supporting structural reforms:** [Improving public administration](#) boosts competitiveness, growth and maximise the impact of investments. Like the reflection paper, the Cohesion report acknowledges that the link between Cohesion Policy and the EU economic governance may need to be strengthened to

support reforms for a growth-conducive environment.

**Next steps:**

A public consultation on the future Cohesion Policy will be launched in early 2018. In May 2018, the Commission's proposal for the multi-annual financial framework (MFF) will be presented, followed by the proposals for Cohesion Policy after 2020.

**More information:**

[The 7th report on economic, social and territorial cohesion](#)

[Memo – The Future of EU Finances: the 7th report on economic, social and territorial cohesion](#)

[Factsheet – Cohesion in our Union](#)

[Factsheet – Cohesion Policy at work, delivering in all EU regions](#)

[Inforegio – interactive maps](#)

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Attachments

[Factsheet Cohesion.pdf](#)

[Factsheet Results.pdf](#)