



Discussion note for the informal meeting of ministers responsible for cohesion policy

1st March 2022

The 8th Cohesion Report has brought back to the forefront of the European scene the issues inherent in the many transitions that our continent is set to face, with an increasing emphasis on the traditional long-term challenges of innovation and sustainable development. These challenges have been under various names (the Lisbon and Gothenburg strategies, the Europe 2020 strategy for smart, sustainable and inclusive growth and now the Green Deal -which places particular focus on the climate and biodiversity dimensions) the backbone of cohesion policy since 2007. In addition, the report puts emphasis on jobs and skills issues to pave the way for a fair, inclusive and resilient recovery.

The challenges for 2050 brought to the fore by the COVID 19 crisis, are giving a new perspective to the digital and demographic transitions that complement this first basis. Anticipating and adapting to these structural transitions thus raises the question of citizens' support for their realisation, depending on the impact the transitions may have on their daily lives and on where they live.

The territorial question therefore raises the underlying issue of citizens' confidence in their institutions, as well as their support for the European ambition to provide part of the necessary answers. The geography of discontent has become a key area of study in order to analyse the diversity of situations and the roots of potential disengagement among citizens.

Barely recovered from the 2008 crisis, Europe is now going through a crisis caused by a global pandemic in the face of which it has demonstrated its unity. Its initial effects have already been analysed in the 8th report and will probably be examined even more closely in the next one, since crises have always increased territorial disparities. It is no small success of cohesion policy that it has contributed to resolving these disparities, in spite of everything, in addition to the action of the Member States and of all the sub-national levels. Despite all these difficulties, and the still highly contrasted evolutions between the Union's centre and its peripheries, the overall internal cohesion of our continent has improved significantly over the last 20 years. However, this cohesion remains fragile and the vulnerability of many regions has been exposed during the recent crisis.

In parallel with the analyses in the 8th Cohesion Report, the note requested from the OECD on the optimisation of public investments, which is also intended to shed light on this debate from a more international standpoint, broadly reaches the same conclusions. It shows similar effects in other regions of the world. It illustrates how these transitions are affecting regions in a wide range of

countries and outlines the levers that should be applied in the future to better address them. Digital technology, the growing role of artificial intelligence, climate and ecological transitions and the predictable impact of demographic transitions will therefore strongly influence the nature of the investments made by public policies. These investments will need to be mobilised, regardless of the continent in which we live, but with significant variations at the territorial level between the most dynamic metropolitan areas and the variety of regional and local situations as was emphasised in the Commission's Communication on the long-term vision for rural areas in the EU of June 2021.

This new consideration for territorial issues refers to citizens' confidence in public policy in general and in European policy in particular, while aiming for a prosperous, inclusive, dynamic, fair and forward-looking society.

QUESTIONS FOR THE DEBATE

In this context, cohesion policy remains a tool that is unique and sufficiently valuable to call for an early preparation of each of its new cycles well in advance. Above all, it is a tool for economic and social development, which takes into account the specificities of regions and territories and builds on their respective assets to help them overcome the constraints they face in the medium and long term. The time has come for this Presidency, and undoubtedly for the ones to follow, to start the reflections on a long term vision for infra regional territories in particular for rural areas by capitalising on the current finishing programming period and by shedding light on the national and regional challenges provided by these European and global analyses.

Question 1: Based on your experience of mobilising structural funds and in the light of the initial analyses and challenges raised by the 8th Cohesion Report, which investment strategies should be given priority to increase European cohesion?
Should significant reorientations be envisaged and if so, in which area(s) and for which target groups?

Question 2: On which levers could we act collectively to mitigate more effectively the risks that fuel the geography of discontent and to avoid it becoming a danger for the European project as a whole?

In view of demographic changes, of the risks of territorial fractures, of climate changes, and of connectivity challenges faced by certain areas, notably rural ones, how can the European Union improve people's living conditions? How to reconcile proper consideration for the sub-regional dimension with the objective of simplification?