



Council of the
European Union

Brussels, 10 October 2017
(OR. en)

13017/17
ADD 9

FSTR 68
FC 78
REGIO 97
SOC 629
FIN 608

COVER NOTE

From: Secretary-General of the European Commission,
signed by Mr Jordi AYET PUIGARNAU, Director

date of receipt: 9 October 2017

To: Mr Jeppe TRANHOLM-MIKKELSEN, Secretary-General of the Council of
the European Union

No. Cion doc.: SWD(2017) 330 final - Part 9 of 13

Subject: COMMISSION STAFF WORKING DOCUMENT Accompanying the
document REPORT FROM THE COMMISSION TO THE EUROPEAN
PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND
SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS
My region, My Europe, Our future: The seventh report on economic, social
and territorial cohesion

Delegations will find attached document SWD(2017) 330 final - Part 9 of 13.

Encl.: SWD(2017) 330 final - Part 9 of 13



Brussels, 9.10.2017
SWD(2017) 330 final

PART 9/13

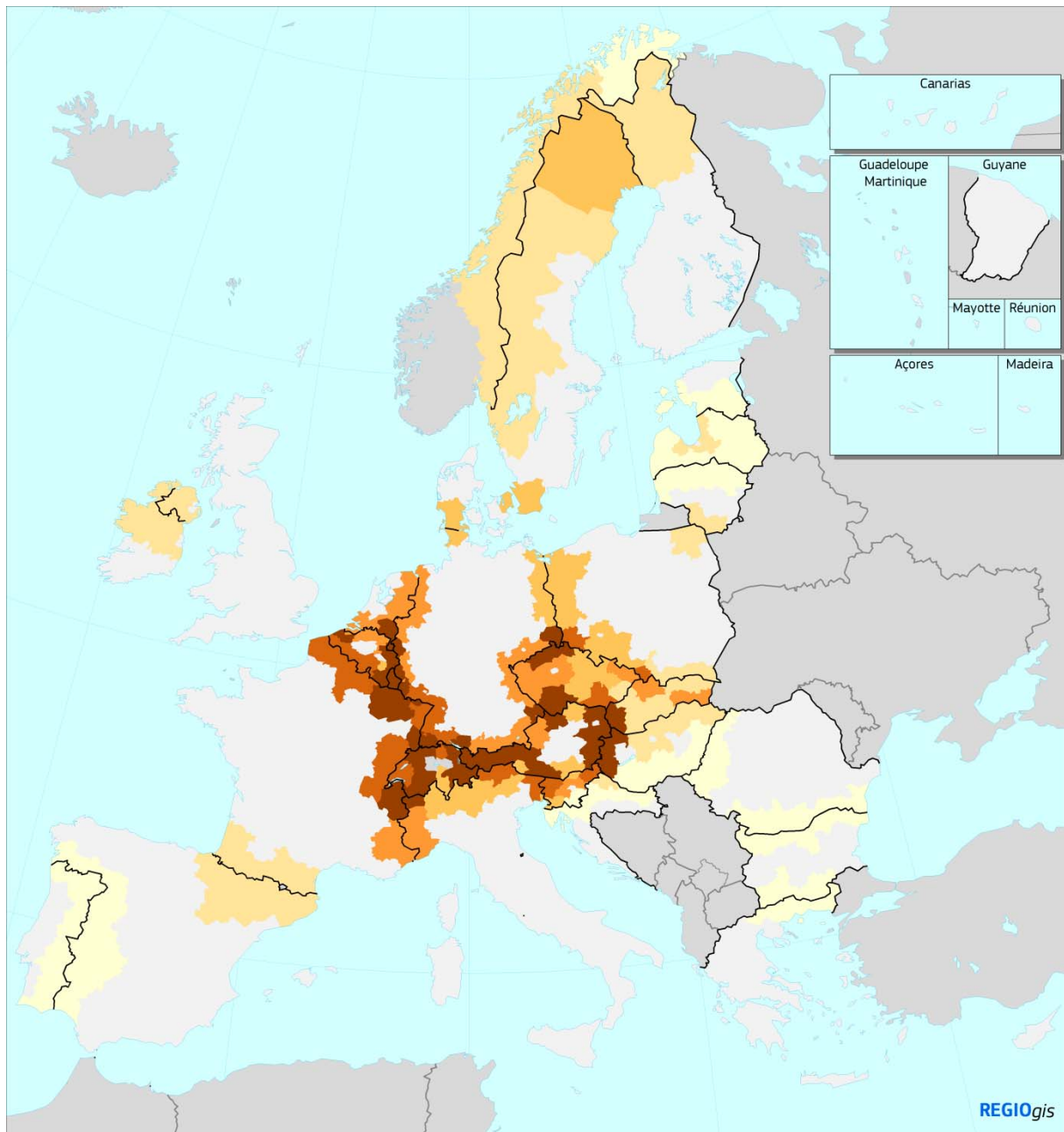
COMMISSION STAFF WORKING DOCUMENT
Accompanying the document

**REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE
COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE
COMMITTEE OF THE REGIONS**

**My region, My Europe, Our future:
The seventh report on economic, social and territorial cohesion**

{COM(2017) 583 final}

Map 3-13 Percentage GDP loss in EU NUTS 3 land border regions due to cross border obstacles



Percentage GDP loss in EU land border regions

Total GDP loss as % of NUTS3 GDP

- < 3%
- 3.1 - 6
- 6.1 - 9
- 9.1 - 12
- 12.1 - 15
- > 15

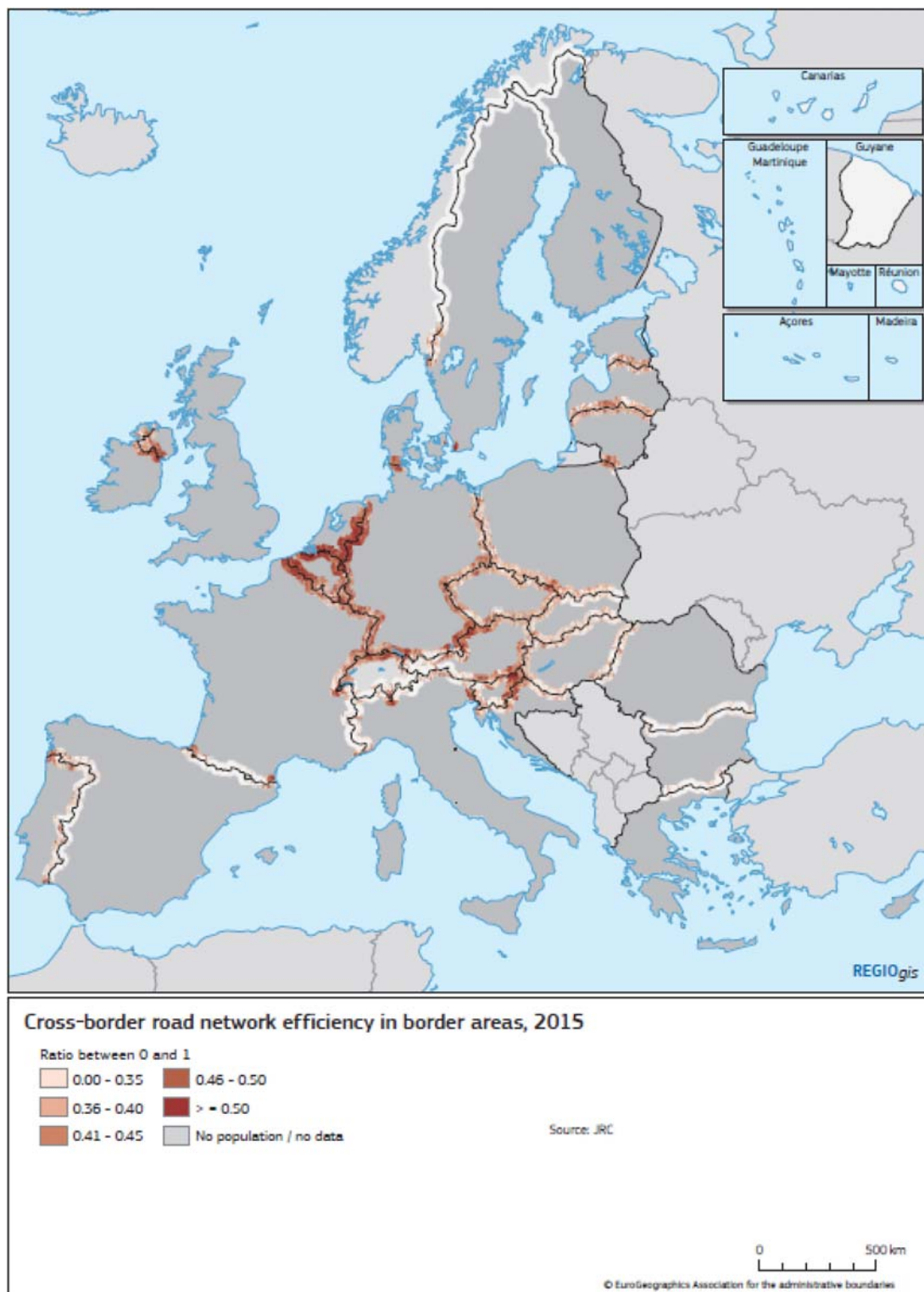
Sources: Study "Quantification of the effects of legal and administrative border obstacles in land border regions", Politecnico di Milano 2017

0 500 km

© EuroGeographics Association for the administrative boundaries

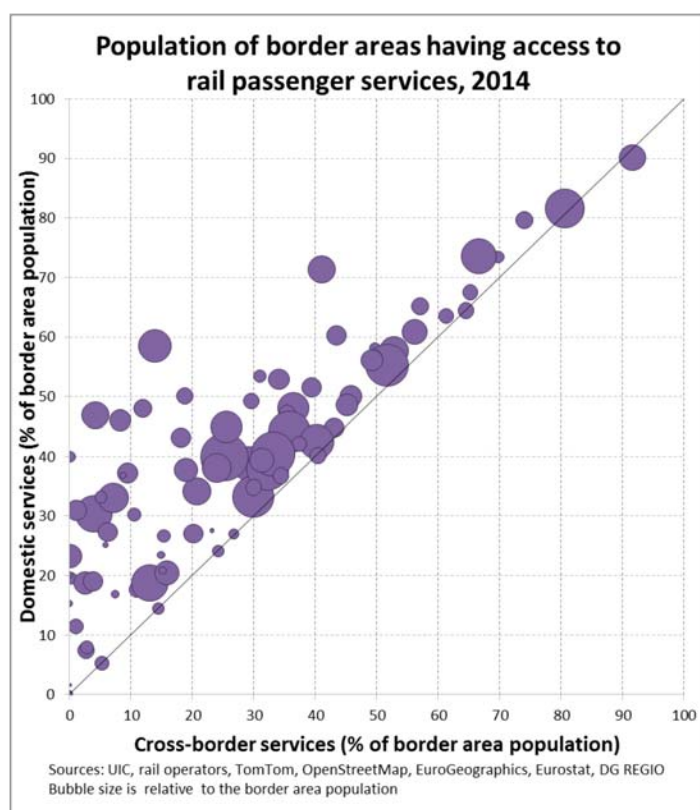
The state of the cross-border road network varies considerably across the EU. In some places, it is good, even better than elsewhere in the region, such as along the Belgian-French or Belgian-Dutch borders (Map 3-14). In other places, the cross-border road network is poor and limits the capacity of the regions to develop. This can be due to geophysical barriers, such as the mountain chain which forms the border between France and Spain, but it can also reflect the orientation of transport policy.

Map 3-14 Cross-border road network efficiency in border areas



Access to cross-border transport also varies across the EU. While in some cases access to cross-border rail services is as good as to services elsewhere in the region (observations on the diagonal of Figure 3-14), in many others, it is more limited (observations above the diagonal).

Figure 3-14 Population of border areas having access to rail passenger services, 2014



A number of border regions face more serious demographic challenges than other areas. Many located in the EU-13 have experienced substantial loss of population over recent years as a result of both a natural reduction (reflecting their older population) and outward migration (Table 3-1). Between 2005 and 2015, population in the EU-13 land border regions fell by 3.5% as against 1.2% in non-border regions, outward migration reducing population by 1.9% combined with a natural reduction of 1.5%.

The situation is different in the EU-15, where population increased in border regions as in non-border ones, though at a slightly slower pace partly because of less inward migration.

Table 3-1 Change in population of land borders regions and other regions in the EU-15, EU-13 and EU-28, 2005-2015 (% change)

2005 - 2015	Land border region	Non border region	Total
EU-15			
total change	4.0	4.3	4.2
natural change	0.7	1.4	1.2
net migration	3.4	2.9	3.0
EU-13			
total change	-3.5	-1.2	-2.5
natural change	-1.5	-0.9	-1.3
net migration	-1.9	-0.3	-1.2

EU-28			
total change	1.3	3.6	2.8
natural change	-0.1	1.1	0.7
net migration	1.4	2.5	2.1

3.5.2. Other types of cooperation: interregional, transnational and macro-regional

Interregional cooperation is needed to tackle in an effective way common problems which affect most regions to differing extents, to enable examples of good practice and know-how to be shared, to build networks and to support analysis of major territorial development issues. Four interregional cooperation programmes are currently in operation (Interreg EUROPE, INTERACT, URBACT and ESPON) which cover all EU Member States and a number of third countries and which are allocated around EUR 1 billion for the 2014-2020 period.

There are, in addition, 15 transnational cooperation programmes which group together regions in different EU countries to tackle issues that are of common concern to them and which together have been allocated EUR 2.1 billion for the present period (Map 3-15). They support a range of projects relating to innovation, the environment, transport, communication and sustainable urban development. Transnational Cooperation can help to establish functional links in a given territory, such as sea basin strategies, the arctic framework or macro-regional strategies. Under the ESF, transnational cooperation helps improve the delivery of employment and social policies and contributes in the implementation of reforms, by enabling the stakeholders to learn from experiences and good practices in other countries.

Macro-regional strategies are a form of territorial cooperation between countries which help to improve the implementation of EU policies. They are equally designed to tackle common problems, such as relating to the environment or climate change. Macro-regional strategies can also provide an appropriate framework for cross border institutional co-operation. They are not, however, directly financed under cohesion policy but they focus on an optimal use of existing financial sources (e.g. the ESIF, Horizon 2020, COSME, LIFE), better implementation of existing legislation and better use of existing institutions.

Since the European Council endorsed the EU Strategy for the Baltic Sea Region (EUSBSR) in 2009, three further macro-regional strategies have been developed: the EU Strategy for the Danube Region (EUSDR) in 2011, the EU Strategy for the Adriatic and Ionian Region (EUSAIR) in 2014 and the EU Strategy for the Alpine Region (EUSALP) in 2016 (Map 3-15).

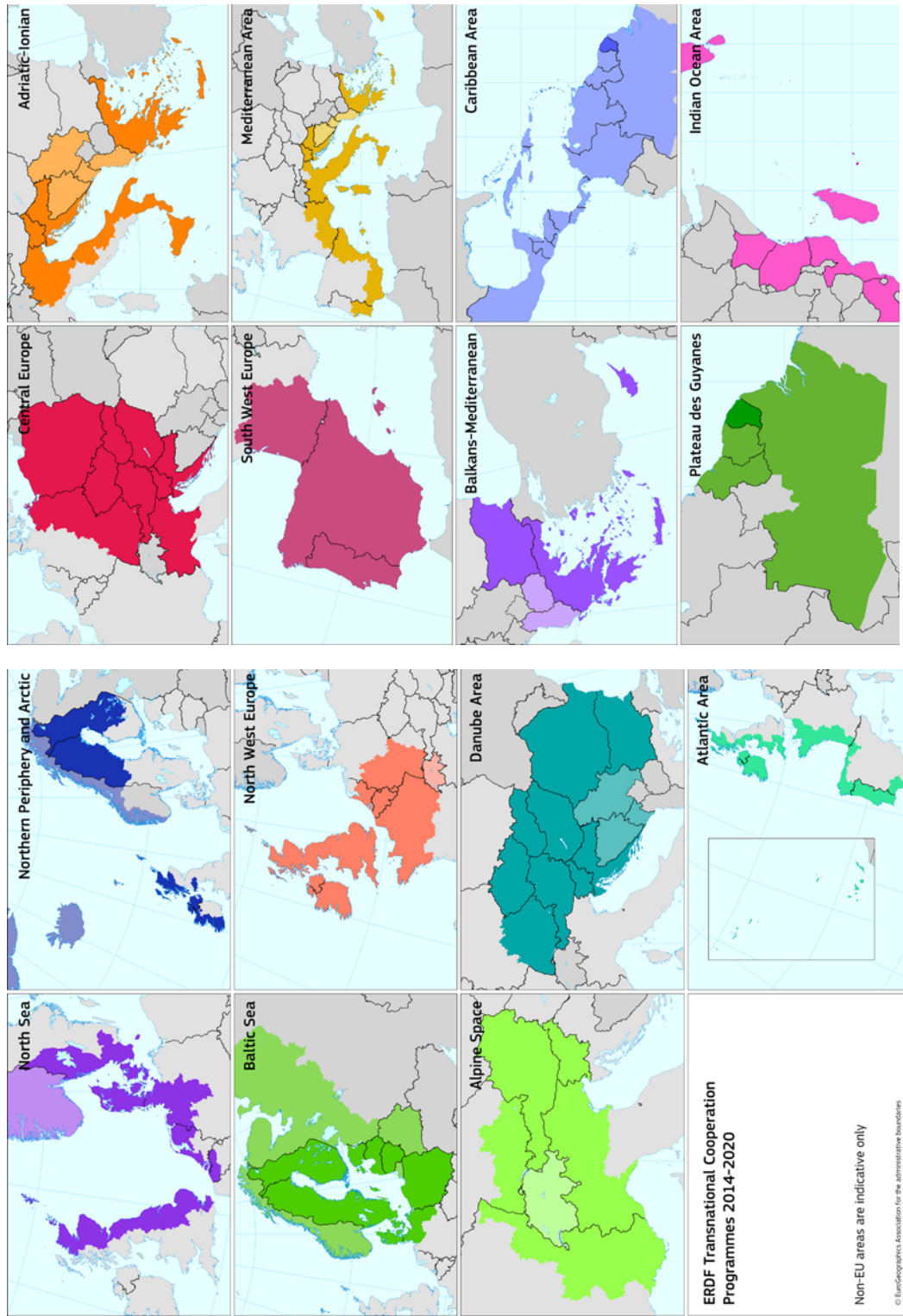
At present 19 EU and 8 non-EU countries are involved in macro-regional strategies which have become an integral part of the EU policy framework. They have increased interest in territorial cooperation and cohesion and awareness of its added value. They have led to increased coordination and strengthened cooperation in a number of areas (such as

navigability, energy and climate change) and intensified cooperation with non-EU countries, helping to mitigate possible adverse effects on the EU's external borders.

Each macro-regional strategy has achieved specific results:

- EUSBSR: the quality of the Baltic Sea water is being improved and nutrient inflows reduced through projects such as PRESTO or Interactive water management (IWAMA), while the SUBMARINER Network is further encouraging the innovative and sustainable use of marine resources;
- EUSDR: the coordinated management of water in the Danube river basin, through projects such as SEERISK is reducing the risk of damage by floods, while projects such as like FAIRWAY and DARIF are reducing bottlenecks to navigability and improving the safety of navigation;
- EUSAIR: cooperation with EU countries on issues of common interest is helping Western Balkan participating countries prepare for EU accession; green/blue corridors linking land and sea in the Adriatic and Ionian Sea have been identified as areas where strategic projects should be undertaken to achieve sustainable economic growth respectful of the environment,
- EUSALP: projects such as 'mountErasmus' are helping to establish a cross-border educational space for dual vocational training in the Alpine region, while 'AlpinfoNet' is being developed into a cross-border information system to improve passenger transport in the region.

Map 3-15 Transnational cooperation programmes 2014-20



3.5.3. Local, urban and metropolitan development

Cohesion policy promotes integrated and place-based approaches to foster economic, social and territorial cohesion, while at the same time recognising the role of sustainable urban development in realising overall EU objectives. To allow more flexibility in tailoring the provision of ESI funds to territorial needs, new and improved delivery mechanisms were put in place for the 2014-2020 programming period, in particular, Integrated Territorial Investment (ITI) and Community-Led Local Development (CLLD).

Almost 9% of the cohesion policy budget (around EUR 31 billion) is allocated to integrated territorial and urban development in the current period, the ERDF contributing the largest part (EUR 25.5 billion) and the rest coming from the other ESI funds over half the total is being provided using the new territorial instruments. Overall, the new territorial provisions are used in around 150 programmes, creating better links between the local strategies and the thematic objectives set out in the programmes.

The rationale for applying integrated, place-based approaches relates either to territorial integration, to thematic integration, to the blending of different financial resources or to institutional knowledge.

- Territorial integration: around half of the integrated strategies are using a functional approach, under which horizontal coordination arrangements help to improve the governance of a functional area and promote urban-rural or even cross-border links, though often it also requires new coordination arrangements between the administrative units involved.
- Thematic integration: ITI was specifically designed to combine investment under different priority axes or from different programmes, since a strategy supported through an integrated multi-thematic priority axis can only be financed through one programme. As a result, strategies implemented through ITI include on average more thematic objectives than those implemented through a priority axis.
- Blending different financial sources: the ERDF provides in most cases the bulk of financing together with the ESF, but the other ESI funds, other EU instruments and national or regional public and private funding can also make a significant contribution in some Member States, especially for ITI strategies. In most cases, the strategies will be funded by non-repayable grants, but financial instruments are also important in several strategies or for particular types of investment, such as for improving energy efficiency.
- Institutional knowledge: the strategic planning process and, more especially, the delegation requirements for sustainable urban development and CLLD have led in a number of Member States to the creation of new collaborative arrangements and bodies responsible for project selection and other tasks. In other Member States, this delegation has also resulted in capacity building and advisory measures, such as the establishment of new bodies or internal departments to support urban authorities' decision making.

Empowering cities: Sustainable Urban Development

The urban dimension is at the heart of Cohesion Policy. For the 2014-2020 period, at least 50% of the ERDF is invested in urban areas. Around EUR 14,5 billion (8 %) of the total ERDF budget has been allocated directly to support over 900 integrated sustainable urban development strategies, with considerable additional financing from the ESF and from other EU or domestic sources in a number of Member States.

Three options were provided for Member States to implement sustainable urban development strategies in the current period – through a dedicated multi-thematic priority axis, a dedicated programme or the use of the new ITI instrument. The ITIs have been relatively slow to be taken up but have been adopted in 13 Member States, where well-functioning domestic programming and spatial planning arrangements were already in place or technical assistance was provided to help develop the strategies concerned.

Urban Agenda for the EU

The **Urban Agenda for the EU** which is designed to strengthen the urban dimension in EU policy-making is a further development of the integrated territorial approach.

the Urban Agenda is aimed at promoting cooperation between Member States, cities, the European Commission and other stakeholders in order to maximise the growth potential of cities and to tackle social problems and so to improve the quality of life in urban areas. Partnerships have been established around 12 priority themes of EU and urban relevance, the intention being to identify common problems and to recommend action plans (to the EU, Member States and cities) to tackle them. The action concerned could, for example, be a proposal to amend an EU Directive or for the new ESI funds or a project that worked well and could be scaled-up and adopted more widely.

The Urban Agenda should lead to more effective and regulation, funding that is better adapted to needs and is easier to access and better knowledge (through more data, examples of good practice or projects and exchange of experiences).

A new website ([The EU Urban Agenda](#)) enables stakeholders to contribute to the Urban Agenda as a whole or to specific Partnerships.

Going beyond administrative boundaries: Integrated Territorial Investments

Cohesion policy pays particular attention to the specific socio-economic characteristics of functional area, making a wide range of investments available and promoting the adoption of integrated strategies targeted at specific needs.

Despite its novelty, ITI is being used flexibly for multidimensional place-based interventions for tackling complex territorial problems in 13 Member States. It has been adopted by around 150 different territorial strategies, which were developed not only for administrative regions to replace regional programmes but also for functional area such as remote and sparsely populated rural areas, islands and coastal areas, environmental protection sites and functional urban areas.

Joint Programming Initiative (JPI) Urban Europe

The Urban Europe Joint Programming Initiative (JPI) is a network of Member States and associated countries of the EU intended to provide answers to the major challenge of urbanisation in Europe and beyond. It was set up in late-2011 as one of 10 JPIs following a decision of the European Council to address challenges which cannot be effectively met by countries acting individually. The idea is that it should foster a transnational research and innovation programme between European countries which is independent from the research and innovation programmes set up by the European Commission but complementary to them and collaborating with them. Apart from finding solutions to the challenges concerned, the vision is to bring to life the European Research Area through increased collaboration between member states.

Since 2012, the Urban Europe JPI has launched annual joint calls for proposals that have resulted in over 50 projects being undertaken with around 200 participants, comprising researchers, urban practitioners and civil society. The initiative is also in the process of establishing a Stakeholder Involvement Platform to facilitate the implementation of its Strategic Research and Innovation Agenda by reaching new countries and cities. The platform is intended to support experimentation with different kinds of measures and different ways of cooperating as well as to mobilise interested parties and to reflect on urban policies.

Strengthening local communities: Community-led Local Development

Community-led Local Development (CLLD) has been introduced under cohesion policy as a voluntary instrument, extending the existing LEADER approach for rural development and fisheries policies and its territorial focus depends very much on the coordination with the EAFRD and EMFF. Complementary arrangements usually target rural areas with small or medium sized towns or cities nearby, while in some Member States, the ERDF and ESF are used to support urban participatory measures targeted at social inclusion and urban regeneration.