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European Union

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COH 92
ECOFIN 1319
UEM 425
SOC 841
EMPL 605
COMPET 1209
ENV 1427
EDUC 470
RECH 540
ENER 664
JAI 1594
GENDER 214
ANTIDISCRIM 196
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OUTCOME OF PROCEEDINGS

From:	General Secretariat of the Council
On:	30 November 2023
To:	Delegations

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Subject:	Regional trends for growth and convergence in the European Union - Council conclusions (30 November 2023)
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Delegations will find in the annex the Council conclusions on regional trends for growth and convergence in the EU, approved by the Council (General Affairs/Cohesion) at its 3989th meeting on 30 November 2023.

Council Conclusions**on****Regional trends for growth and convergence in the EU****THE COUNCIL OF THE EUROPEAN UNION**

- (1) WELCOMES the Commission's working document entitled "Regional trends for growth and convergence in the European Union", which analyses the convergence and growth situation of European regions in the context of the European Semester, and reflects on the role of cohesion policy in reducing regional asymmetries and disparities;
- (2) RECOGNISES that the sustainable development of all regions and their resilience is key for economic prosperity, social welfare, human capital development, and the improvement of competitiveness of the EU as a whole;
- (3) AGREES that cohesion policy has contributed significantly to reducing disparities and strengthening economic and social cohesion between and within regions, in line with the relevant investment guidance outlined in the European Semester. However, important asymmetries and disparities persist, in terms of GDP as well as employment and unemployment rates, competitiveness, and productivity, and also on intraregional level, that need to be taken into account in order to be appropriately addressed. Therefore, cohesion policy should continue to play a role in this respect;
- (4) TAKES NOTE that an increasing number of EU regions are in a “development trap” or at risk of falling into one. These regions have been experiencing long periods of slow or negative growth, with weak productivity gains and low levels of job creation;
- (5) INVITES the Commission to make the best use of existing data to analyse the contribution of cohesion policy to the convergence of regions and the prosperity of the EU as a whole in recent decades and to further analyse the causes of regional divergence and development traps, including in the outermost regions;

- (6) RECOGNISES that more developed and metropolitan regions tend to have a higher concentration of human capital, research and innovation activities, and higher levels of labour productivity and competitiveness;
- (7) STRESSES that, at the same time, demographic trends are a serious challenge in many regions of Europe in particular in less developed, remote, outermost, island, mountainous and rural ones, which may be exacerbated by additional difficulties in developing, retaining and attracting talents and therefore need to be addressed;
- (8) ACKNOWLEDGES, furthermore, that access to basic services remains low in a number of EU regions, including less developed regions, outermost regions, islands and mountainous areas, independently of their national performance. Thus, cohesion policy should continue to contribute facilitating access to basic public services, including investments in basic infrastructures in line with regional needs as a prerequisite for further convergence and growth;
- (9) AGREES that the goals of the green transition and of achieving climate-neutrality by 2050 generate opportunities, and common efforts to reach this goal are indispensable. However, it has also costs that differ across regions, risking the creation of further disparities and inequalities. Moreover, growing negative consequences of climate change affect severely the growth and development of many regions in Europe. Cohesion policy can contribute to mitigate those undesirable impacts, supporting a fair transition;
- (10) WELCOMES the recognition of the need to ensure that EU and national relevant policies are geared to local needs and should take into account the diversity and uneven growth patterns in European regions, as a key element for the prosperity of the EU as a whole;

- (11) WELCOMES the launch of a reflection on the future of cohesion policy, in order to explore avenues to a more performant policy that will include clear priorities and efforts for simplification that contribute to the balanced and harmonious development of the European Union in the years to come, as well as the preservation of the EU democratic and social values;
- (12) REAFFIRMS cohesion policy's role as enabler and stabiliser of the single market and the level playing field, and as an important contributing factor delivering on the principles of the European Pillar of Social Rights. RECOGNISES its contribution to rebalance growth in regions and territories, and to social cohesion;
- (13) RECOGNISES that strong synergies between the various EU instruments allow for the maximisation of the value added from EU actions and RECALLS that a correct identification of complementarities between instruments requires their appropriate and reasoned design from the beginning, avoiding overlaps between their objectives and areas of intervention. HIGHLIGHTS that regional policy should utilise the synergies between European, national and regional instruments.
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