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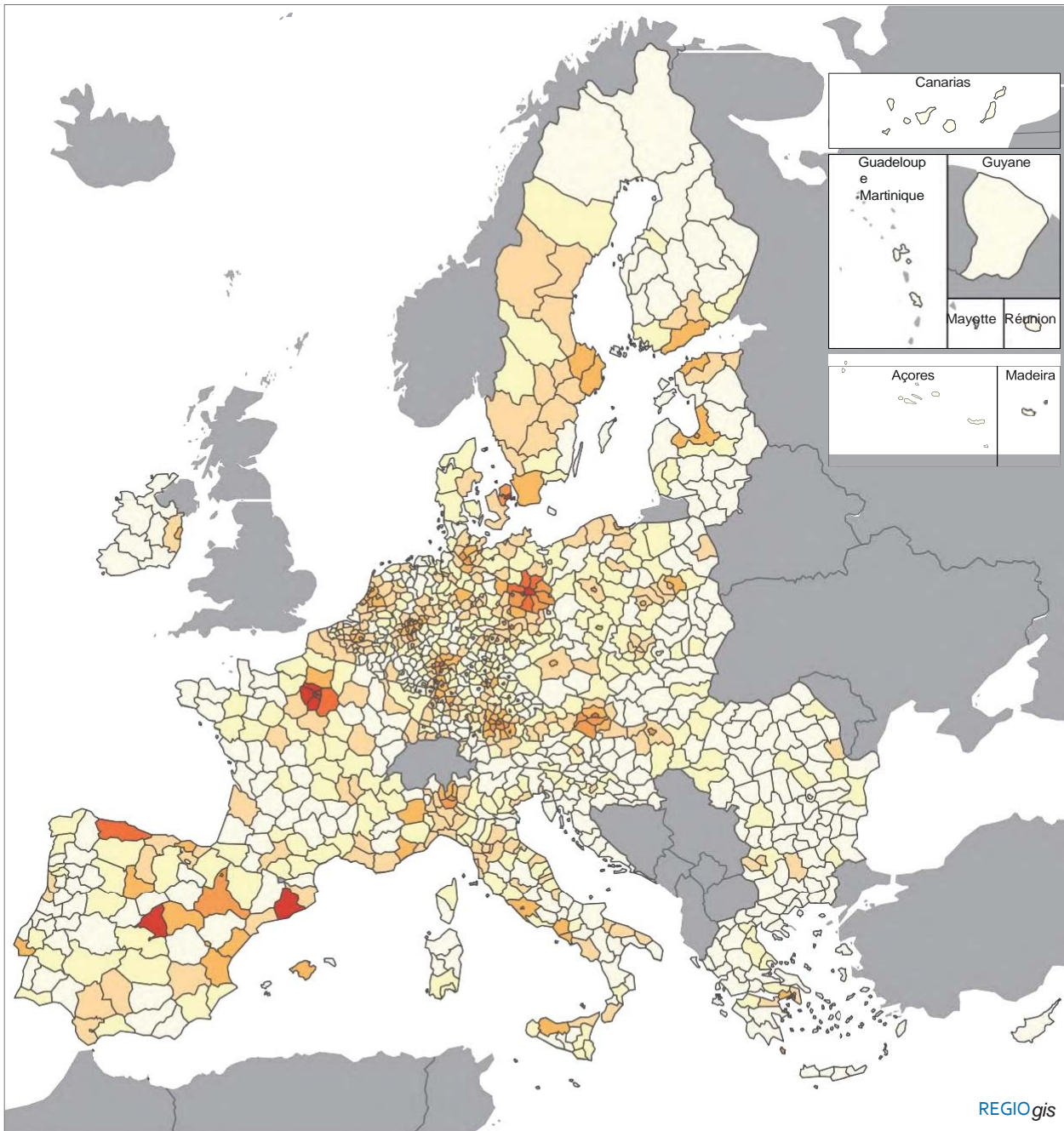
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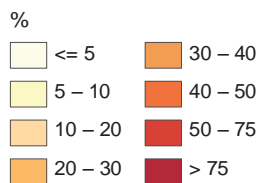
**Communication from the Commission to the European Parliament, the Council, the
European Economic and Social Committee and the Committee of the Regions**

on the 9th Cohesion Report

{COM(2024) 149 final}



Map 3.7 Rail transport performance (% of population within a 120-km radius that can be reached in 90 minutes) by NUTS 3, 2019



EU-27 = 15.7

Taking into account population living within 15 minutes at 15 km/h around stations.

Sources: REGIO-GIS, International Union of Railways, railway operators, JRC, TomTom.

0 500 km

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1.1 Urban regions have better access to education and healthcare services¹³

If transport networks provide poor connectivity, this typically translates into poor access to essential services such as education and healthcare (Map 3.8).

For children in primary education, access to school varies considerably across regions. The proportion of the population living within a 15-minute walk of a primary school is over 80 % in several regions in the south and east of Spain, south and north-west of Italy, north of France and the Netherlands. It also tends to be higher in capital city regions than others. The smallest proportions are in southern and eastern regions of Germany, and in Croatia, Latvia and Lithuania. While the average proportion is 80 % in urban areas across the EU, in rural regions and in remote intermediate regions it is less than half (Table 3.3). This might well reduce the attractiveness of such regions as places to live for families with young children.

Access to universities tends to follow a similar pattern. The share of the population that can reach a university within a 45-minute drive is close to 100 % in many regions in most Member States. On average, access is less in eastern Member States, but not markedly so. Regions with low access are mostly in Finland, Romania and Poland. More generally, access is better in more densely populated areas. In urban regions, close to 100 % of the population can reach a university within a 45-minute drive. In rural regions, it is only 69 %, and in remote rural regions, only just over half. Proximity to a university may affect the number of students needing to leave their home region to follow a university course of study, which may be reflected in higher outward migration of young people from remote rural regions than others.

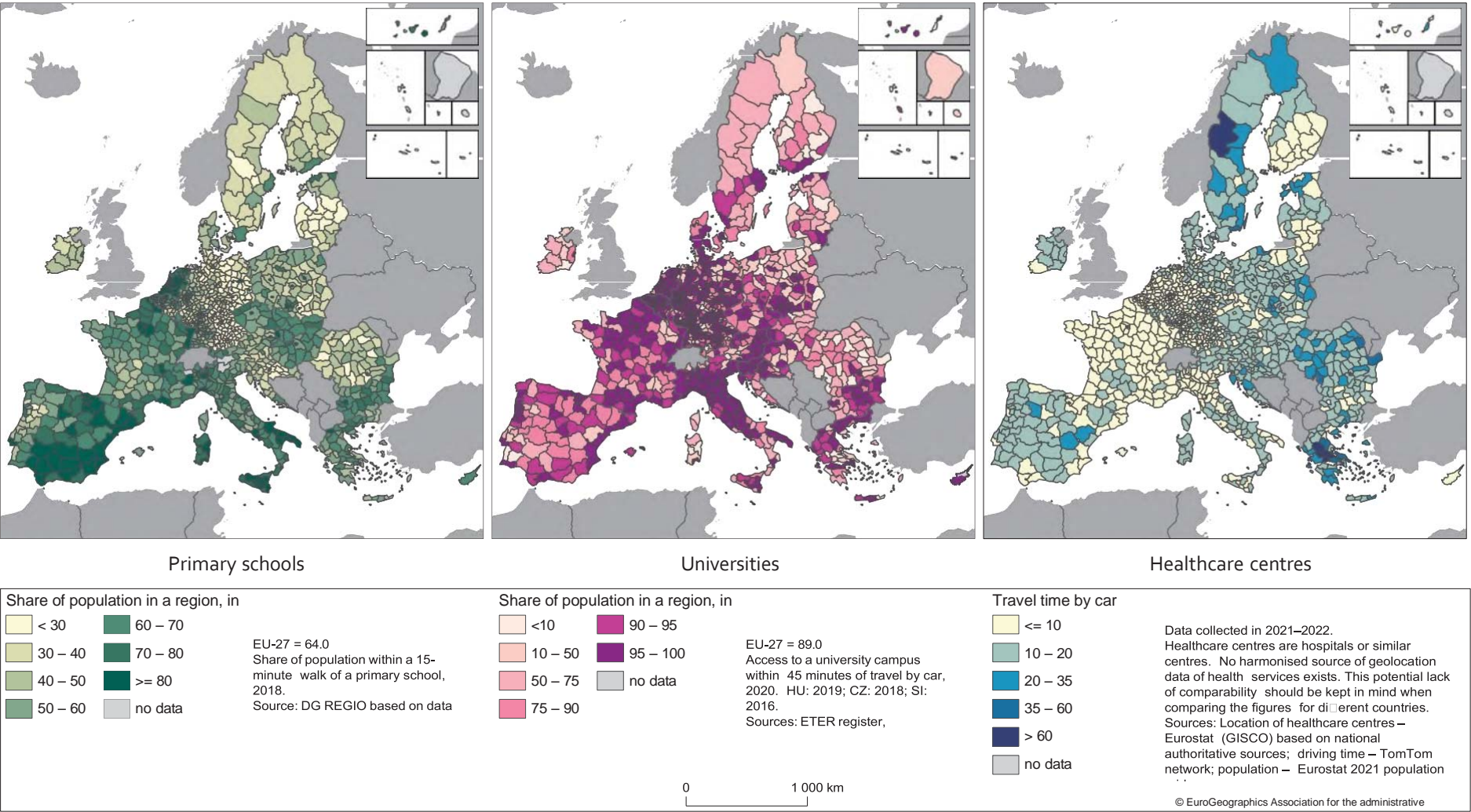
Access to healthcare centres varies substantially across regions, but this partly seems to be because of differences at Member State level. Regions where the distance to the nearest healthcare centres is on average longest, over 35 km, are in Greece, Sweden and Romania. Most centres are located in or near cities, the average distance in urban regions being 6.4 km. In rural regions, the average distance is over twice as long, and 16.8 km in remote ones. At the same time, the proportion of the population aged over 65, who are those most often in need of medical treatment, is largest in these regions (see Chapter 5).

2. Border regions and cross-border co-operation

Border regions account for more than 40 % of the EU's landmass, 30 % of its GDP and 30 % of its population, some 150 million people. Almost 2 million people live in one country in the Schengen area and work in another, and some 3.5 million people cross one of the 38 internal borders of the EU every day. Many border regions are peripheral, distant from metropolitan centres, with more limited access to healthcare and other essential services than others. Border regions can also face specific challenges in times of crises, whether linked to restrictions on cross-border movement during pandemics or a sudden influx of refugees from a conflict zone on the other side of the border. Disaster prevention and precautionary action tend to be more difficult because of differences in governance, and administrative and legal systems. Co-operation across borders may be a way of escaping a development trap or demographic decline. Additionally, border areas are places with high growth potential, where cultural and linguistic diversity encourages intense social and economic interaction, where many people carry out daily activities on both sides of the border and where cross-border co-operation between towns and cities provides opportunities for multipolar growth¹⁴.

2 This subsection uses the urban-rural typology. This typology classifies NUTS 3 regions in three types: (i) urban regions: more than 80 % of the population live in an urban cluster, (ii) intermediate regions: 50–80 % live in urban clusters; (iii) rural regions: less than 50 % live in urban clusters. For a definition of urban clusters see Box 3.2.

Map 3.8 Access to education and healthcare services in EU regions by NUTS 3 region



These opportunities are behind the logic of Inter-reg¹⁵ intervention, both at the cross-border and transnational level. Interreg intervention supports co-operation by linking resources and people and helping to remove barriers to interaction, and building trust and a common identity.

Towards citizen-driven and people-to-people projects Interreg has been pioneering closer involvement of citizens in Cohesion Policy. There is an increasing number of programmes promoting citizen-led initiatives and participation, through cross-border

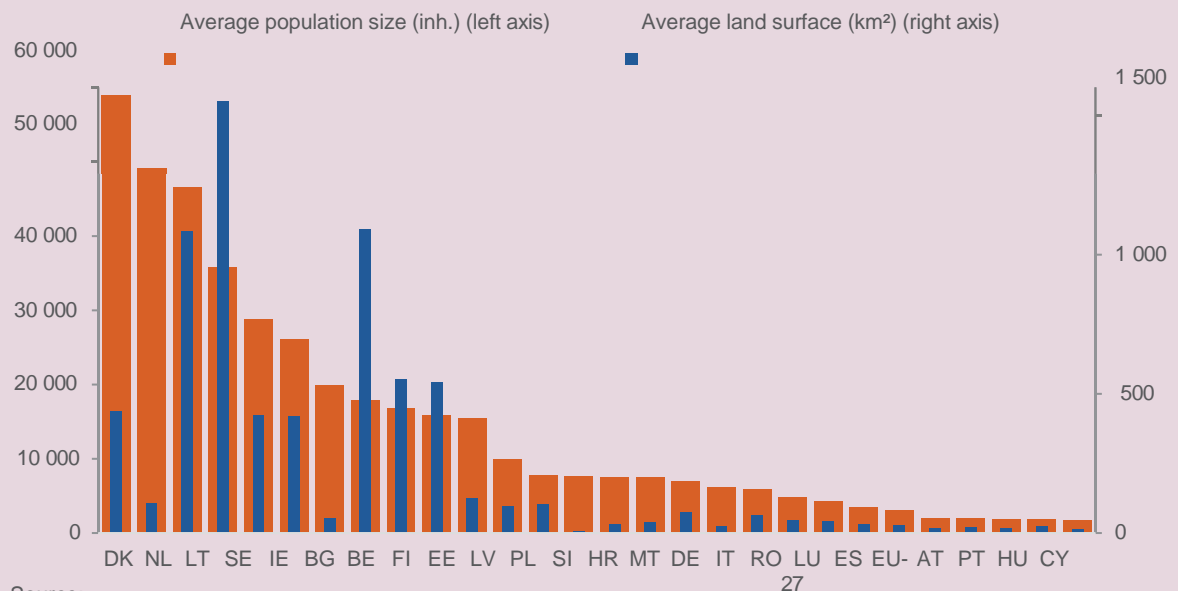
Box 3.6 The need for inter-municipal cooperation

The average size of municipalities and communes in the EU displays large variation between Member States, both in terms of their population size and their surface area (Figure 3.7). The average population size varies between 1 710 in Czech municipalities to almost 60 000 inhabitants in Danish municipalities. The variation in the average surface area is even more pronounced, ranging from 4.6 km² in Malta to 1 551 km² in Sweden.

Efficiency and scale concerns are at the core of territorial reforms in Europe, including at the

institutions, organisational fragmentation and multi-territorial public and private entities, with overlapping territories and areas of responsibility that do not always coincide, are, from a governance efficiency point of view, some of the justifications for territorial and functional reforms¹. Alternative strategies to deal with the challenges of local governance size include inter-municipal co-operation, amalgamation and competition. In general, inter-municipal co-operative arrangements are seen as a way of addressing the challenges of sub-optimal municipal size and can serve as

Figure 3.7 Average population size and land surface size per municipality by Member State, 2021



Source:

1 Teles (2016).

2 Koprić

4 Interreg is a key EU instrument that strengthens co-operation between regions and countries within the EU. As part of the EU's Cohesion Policy, Interreg plays a vital role in promoting regional development and cohesion, and reducing economic disparities. For the 2021–2027 period, Interreg runs with a budget of EUR 10 billion and is focused on addressing current challenges such as climate change, digital transformation, and social inclusion.

‘people-to-people’ projects and civil society engagement¹⁶. At the same time, these projects help to build solidarity and change attitudes towards neighbours living on the other side of the border. This is particularly true of projects under the first Interreg specific objective (‘a better cooperation governance’) introduced in the 2021–2027 period, to improve governance for better territorial co-operation.

Removing obstacles to co-operation

While Interreg support for cross-border interaction increases, co-operation encounters obstacles because of legal and administrative differences on the two sides of the border, which, inter alia, affect the functioning of the Single Market. The removal of these barriers requires decisions well beyond programme management but has potential benefits. It has been estimated that removing 20 % of the obstacles would generate a gain of 2 % in GDP and over 1 million jobs in border regions¹⁷. On the other hand, the economic impact of border restrictions introduced because of COVID-19 was for border regions more than twice the average in other regions. In 2020, 44 % of respondents in border regions identified legal and administrative differences as the most important obstacle to cross-border co-operation¹⁸. The Commission has recently adopted a Regulation on facilitating cross-border solutions¹⁹ to reduce the effect of these differences.

Still missing transport links

While Interreg is not designed for funding large infrastructure projects, there is a clear gap in small-scale cross-border transport connections, as illustrated by an inventory of 57 legal and administrative obstacles affecting public transport²⁰. Not all of these take the form of missing infrastructure – in many cases they involve lack of co-ordination in timetables or ticketing.

Paving the way for enlargement

The EU has land borders with 23 countries, including the candidate countries. Participation in Interreg programmes, in which they are equal partners, and in macro-regional strategies gives the countries concerned an opportunity to build their capacity to participate in Cohesion Policy programmes not only at the central but also at the local and regional level, so preparing them for accession.

3. Regions with specific geographical features

This section examines the socio-economic performance of areas with specific geographical characteristics, such as island regions, outermost regions, border regions, mountain and coastal regions, and northern sparsely populated regions.

The unique features of these regions can have a significant effect on their economic development, requiring a more specific approach than other regions at a similar level of development. Islands, for example, may have higher transport costs, which affect the competitiveness of their industries. Mountainous regions tend to be limited in terms of available arable land and transport infrastructure. Coastal regions have issues arising from climate change, such as rising sea levels and increased vulnerability to natural disasters. Outermost regions, geographically distant from the European mainland, have issues of isolation and reduced access to markets. Sparsely populated northern regions have problems of connectivity and accessibility.

Examining the economic dynamics of these regions enables a fuller assessment to be made of regional disparities across the EU. Differences in economic performance between regions can be significant, and disparities can lead to outward migration, social inequalities and political tension. By comparing these regions with others, a deeper understanding can be gained of the factors affecting regional development.

5 Ninka et al. (2024).

6 Camagni et al. (2017).

7 European Commission (2020).

- 8 European Commission (2023).
- 9 European Commission (2022).

Chapter 3: Cohesion and territorial

Box 3.7 Regional typologies based on specific geographical features

The different types of regions examined in this section are defined as follows.

- Border regions are NUTS 3 statistical regions with an international land border, or regions where more than half of the population live within 25 km of such a border. Two categories can be distinguished: external border regions – those sharing a border with countries that are not in the EU, which are mostly located along its eastern border and the border with the western Balkans; and internal border regions – those sharing a border with other EU Member States or the four members of EFTA, Iceland, Liechtenstein, Norway and Switzerland. These categories are not mutually exclusive in that a region may have both an internal and an external border.
- Island regions are NUTS 3 statistical regions that consist entirely of one or more islands, islands being defined here as having: (i) a minimum surface area of 1 square km; (ii) a minimum distance of 1 km between the island and the mainland; (iii) a resident population of more than 50; and (iv) no fixed link (e.g. bridge, tunnel or dam) with the mainland.
- Mountain regions are NUTS 3 statistical regions in which more than half of the land area is mountain or in which more than half of the population live in mountain areas¹.
- Coastal regions are defined as NUTS 3 statistical regions that have a coastline, or in which more than half of their population live less than 50 km from the sea.
- Outermost regions are defined in Articles 349 and 355 of the Treaty on the Functioning of the European Union and are Guadeloupe, Guyane, Réunion, Martinique, Mayotte and Saint-Martin (France), Açores and Madeira (Portugal) and Canarias (Spain). In the outermost regions the NUTS 2 and NUTS 3 levels coincide, except for Canarias, which are comprised of six NUTS 3 regions.
- Northern sparsely populated regions are 11 NUTS 3 statistical regions covering the four northernmost counties of Sweden (Norrbotten, Västerbotten, Jämtland and Västernorrland) and the seven northernmost and easternmost regions of Finland (Lapland, Northern Ostrobothnia, Central Ostrobothnia, Kainuu, North Karelia, Pohjois-Savo and Etelä-Savo). Together with the northernmost regions of Norway, they formed the 'northern sparsely populated areas' network in 2004.

1 The definition of topographic mountain areas is largely based on Nordregio (2004).

At the same time, the specific characteristics of these regions are a source economic potential that can be harnessed for sustainable development not only of the regions themselves but also of the wider EU. Coastal areas, for example, as well as islands and mountainous regions, can capitalise on their natural resources and tourism potential.

Table 3.4 summarises the number of NUTS 3 regions included in each of these types of regions as well as the share of the EU population living in them, GDP at current prices in 2021 and GDP per head in purchasing power standards (PPS) in 2021.

It should be noted that several regions are in fact included simultaneously in different categories. For example, the number of regions with internal and external borders does not add up to the total number of border

regions. Mountain regions and

sparsely populated ones are often border regions. In several cases, island regions are also mountain regions, and more than half of their population live in a border region; in some cases, island regions are also outermost regions, all of the latter, except Guyane, being islands.

In terms of population, the group of coastal regions is by far the largest, with almost 37 % of the EU population in 2021. This is followed by border regions (28 %) and mountain regions (26 %). The remaining groups have much smaller proportions of EU the population: only 5 % in island regions, 1 % in outermost regions, and 0.5 % in northern sparsely populated regions. Between 2008 and 2021, the proportion of the population living in these regions remained remarkably stable, except for coastal and mountain regions, in which it increased (by 3 pp and 1 pp, respectively).

Table 3.4 Main characteristics of regions with specific territorial characteristics, 2021

	No of NUTS 3 regions (% EU-27)	Population, million (% EU-27)	GDP million EUR (% EU-27)	GDP/head EUR PPS (% EU-27)
EU-27	351 (100)	748.0 (100)	1 021 000 (100)	1 364.7 (100)
Border regions	364 (33.0)	124.6 (27.9)	3 412 107 (23.5)	27 923 -85.9
Internal border	332 (28.5)	108.7 (24.3)	3 147 885 (21.7)	28 998 (89.2)
External border	81 (7.0)	25 (5.6)	392 579 (2.7)	20 059 (61.7)
Island regions	36 (5.0)	20.6 (4.6)	748 688 (5.2)	33 578 (103.2)
Coastal regions	339 (29.1)	163.7 (36.7)	5 337 003 (36.7)	31 014 (95.4)
Mountain regions	309 (26.5)	115.7 (25.9)	2 915 947 (20.1)	26 741 (82.2)
Outermost regions	14 (1.2)	5 (1.1)	98 368 (0.7)	19 947 (61.3)
Northern sparsely populated regions	11 (0.9)	2.2 (0.5)	93 898 (0.6)	33 995 (104.5)

Source: DG REGIO calculations based on ARDECO.

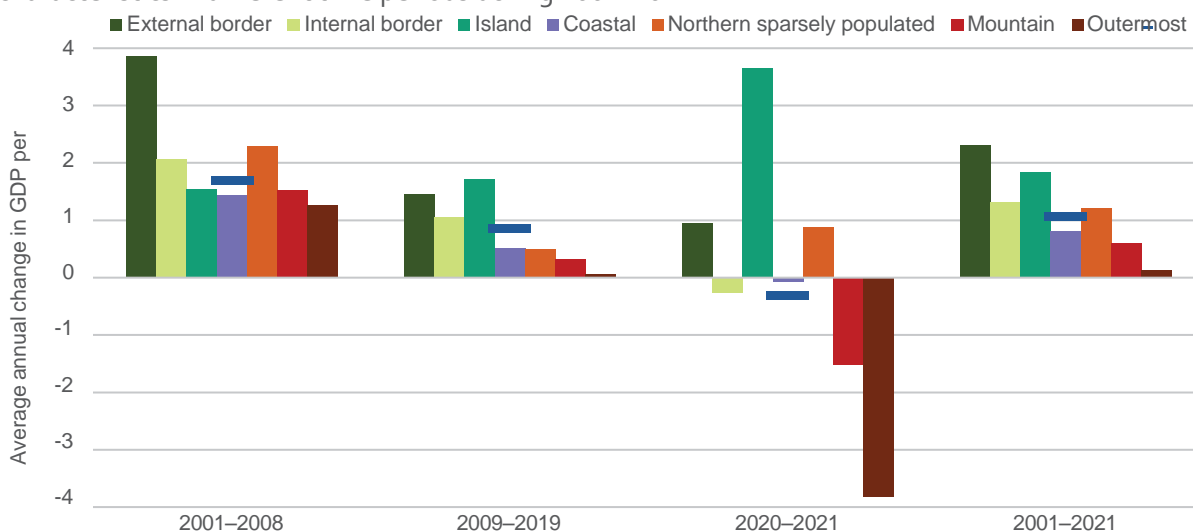
In 2021, coastal regions accounted for the same share of EU GDP as their population, while border, mountain and outermost regions accounted for smaller shares, and island and northern sparsely populated regions larger shares.

GDP per head in PPS in island regions and sparsely populated northern regions was higher than the EU

average in 2021 (3.2 % and 4.5 % higher, respectively), while in the other regions it was below the average, most especially in external border regions and outermost regions (both 38–39 % below).

In terms of growth of GDP per head in real terms, border regions, islands and northern sparsely populated regions had average growth rates higher

Figure 3.8 Growth rates of GDP per head (at constant prices) in regions with specific territorial characteristics in different time periods during 2001–2021



EU-27

Source: DG REGIO calculations based on Ardeco.

than the EU average over the period 2001–2021 (Figure 3.8). In the external border regions, the growth rate averaged 2.3 % a year, twice the EU average (1.1 %). This is in part because of the regions concerned being mostly less developed regions with higher growth potential than others.

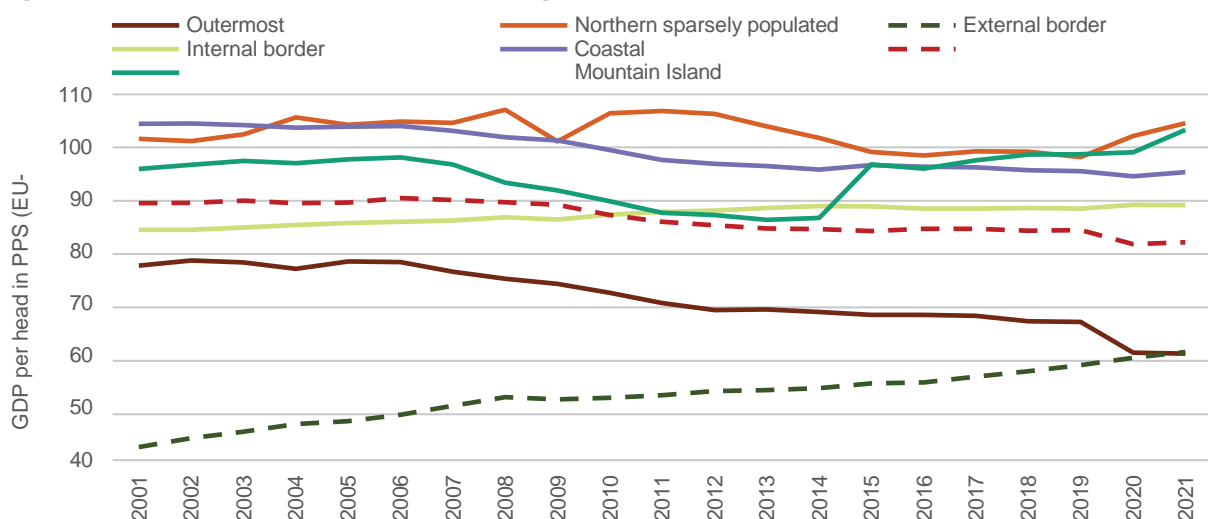
The figures for the island regions must be treated with caution, as they are distorted by the fact that Ireland had a significantly higher growth rate than the EU average, especially after 2014, because of the presence of large multinational companies, whose profits form a significant share of GDP. In all island regions apart from Ireland, GDP per head declined slightly in real terms over the 20-year period, especially after 2008, which clearly reflects structural weaknesses. GDP per head in the outermost regions was also less than the EU average after 2008.

Dividing the period before and after the COVID-19 pandemic, i.e. 2009–2019 and 2020–2021, growth of GDP per head was above the EU average in both sub-periods in external border regions and island regions. The latter, however, is because of Ireland. In the other island regions, GDP per head fell in both the years before the pandemic and the years after (by 2.7 % between 2019 and 2021). The outermost regions were affected most

by the pandemic, with GDP per head falling by 3.8 % between 2019 and 2021, while mountain regions also experienced a decline (of 1.5 %). The northern sparsely populated regions had higher growth than the EU average in both the 2001–2008 and 2020–2021 periods.

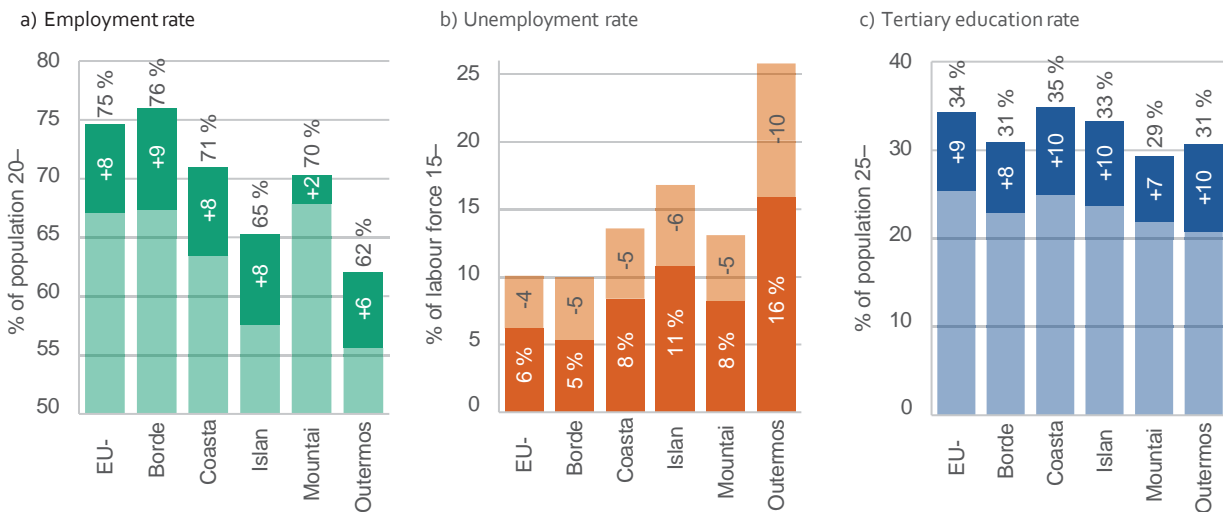
GDP per head in PPS was above the EU average in northern sparsely populated regions in 2021 and for most of the 2001–2021 period (Figure 3.9). In island regions, it converged to the average after 2014 and exceeded it in 2021, again solely because of Ireland. In the other island regions, there was a steady and progressive reduction in GDP per head relative to the EU average over the period (from 84 % in 2001 to 66 % in 2021). In coastal regions, GDP per head declined relative to the average from 2010 onwards, in the aftermath of the Great Recession of 2008–2009. The same is the case for mountain regions, though at a lower level. In the outermost regions, GDP per head began to fall relative to the EU average from 2006, and in the following 15 years it fell by 17 % of the average. In internal and especially external border regions, on the other hand, GDP per head increased continuously relative to the EU average – especially in the latter, the level rising from 44 % of the average to 62 % over the period.

Figure 3.9 GDP per head in PPS, EU=100 in regions with specific territorial characteristics, 2001–2021



Source: DG REGIO calculations based on Ardeco.

Figure 3.10 Change in social indicators in regions with specific territorial characteristics, 2011–2021



Note: For employment rate and tertiary education rate: lighter bar parts are for 2011, darker parts for increase 2011–2022, and bar heights show the percentage for 2021. For unemployment rate: the bar heights show the percentage for 2011, lighter bar parts show the reduction 2011–2022 and darker parts the percentage for 2022.

Source: DG REGIO calculations based on Eurostat [urt_lfe3emp].

The different indicators of the socio-economic situation in regions with specific territorial characteristics help to give a better understanding of their performance and situation relative to that of other parts of the EU²¹. Figure 3.10a shows that border regions (including both internal and external border regions) performed slightly better than the EU average in terms of the employment rate, in terms of both the level in 2021 (76 % compared with 75 %) and the growth over the period 2011–2021 (9 pp compared with 8 pp). Coastal and mountain regions had a lower employment rate of around 70 %, but while the former have seen a substantial increase over the decade, the latter have seen only a slight rise. Island and outermost regions lag behind the other categories, with employment rates of 65 % and 62 % respectively, although both showed a marked improvement over the decade.

All categories of regions show a reduction in the unemployment rate over the period 2011–2021, ranging from a third to a half (Figure 3.10b).

In 2021, the border regions had a lower rate of unemployment (5 %) than the EU average, while in coastal and mountain regions it was above the average (8 %), and in the islands further above (10 %). The outermost regions had the highest rate in 2011, and although it fell by 10 pp over the following decade, it still stood at 16 % in 2021.

The share of the population aged 25–64 with tertiary education also varies between these categories of regions and others (Figure 3.10c). In 2021, the average share was marginally larger than the EU average in coastal regions, though smaller than the average in all the other categories, if only slightly so in island regions. Mountain regions had the smallest share (29 %). Between 2011 and 2021, the share of the population with tertiary education increased in all categories of regions and by much the same as the EU average, by slightly less in mountain and border regions, and by marginally more in coastal, island and outermost ones.

10 Data on these indicators were not available for the categories of northern sparsely populated regions and internal and external border regions.

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