European Commission's seventh and eight progress reports on the EU cohesion policy and the 2013 strategic report on programme implementation 2007-2013

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PURPOSE: Commissions progress report on economic, social and territorial cohesion.

CONTENT: cohesion policy is a key delivery mechanism for Europe 2020. This progress report assesses how, in the context of cohesion policy, regions and cities can contribute to smart, sustainable and inclusive growth of the Europe 2020 strategy. It measures the distance of cities and regions to the national 2020 targets proposed in the national reform programmes. **Smart growth**: the **convergence regions score poorly on smart growth** with low levels of R&D, low productivity and low shares of higher educated. With regard to the latter, only one in five EU regions has reached the target to increase the share of people aged 30-34 with a tertiary degree to 40% by 2020. Member States have set themselves targets ranging from 26% to 60%. The regions eligible under the regional competitiveness and employment (RCE) objective score the best with (1 in 3), the transition regions score average (1 in 4), while the convergence regions score poorly (1 in 20).

R&D is typically concentrated in core areas such as capital and metropolitan regions. In 2008, expenditure exceeded the Europe 2020 target in 24 out of 159 RCE regions, but only in one out of 84 convergence regions and not in a single transition region. On average R&D expenditure of the convergence regions is only 0.9% of their GDP.

Sustainable growth: the challenge of sustainable growth is present in all regions. With respect to the need to reduce emissions, the report stresses that **the energy efficiency of existing and new buildings must increase everywhere.** Regions can play a prominent role in fostering energy efficiency and this is particularly true as regards buildings, where actions must adapt to the local context and climate.

The report also notes that regional characteristics directly determine the extent to which EU regions can produce **renewable energy** such as solar and wind energy. Moving renewable energy between regions with a high potential to regions with a high demand will require the development of better and more intelligent energy networks. Increasing renewable energy will **require more investment in efficient locations and in the network connecting supply with demand.**

Inclusive growth: many **convergence regions display low levels of employment and high unemployment levels.** The employment rate in convergence regions in 2010 was only 63% after a decline due to the economic crisis. Only two convergence regions have reached the EU target of 75% in 2010. If the goal were to reach the 2020 target in all convergence regions, 11 million people would have to find a job.

The risk of poverty and exclusion is also higher in the convergence regions.

Although transition regions and RCE regions score better on these issues, they also need to improve their performance to reach the Europe 2020 targets. The crisis has reduced employment in RCE regions and revealed a lack of competitiveness in some of them. Unemployment has risen in more than 100 RCE regions and 36 have an unemployment rate above the EU average.

The report notes that cohesion policy programmes should **select their investment priorities** taking into account the starting position of a region or city in relation to the national 2020 targets and identify the concentrations to promote and the ones to fight. Cohesion policy programmes provide an opportunity to design strategies in an integrated way — focused on the specific needs of each territory — and reflect the trade-offs and synergies between different types of investments.