天津外国语大学(天外)
Tianjin Foreign Studies University (TFSU)

Geoeconomics & Regional Development

Online class starts at 08:00

(Beijing Time, GMT+8)

Ivan Monich, PhD

May 08, 2023

Source: https://pixabay.com/photos/tianjin-sunset-city-aerial-view-2185510/

Regional policy of the European Union

Regional policy is the sum of a series of policies formulated according to regional differences to coordinate regional relations and regional macro operation mechanism, which affects regional development at the macro level. It includes regional economic policy, regional social policy, regional

The regional policy of the European Union (EU), also referred as Cohesion Policy, is a policy with the stated aim of improving the economic well-being of regions in the European Union and also to avoid regional disparities. More than one third of the EU's budget is devoted to this policy, which aims to remove economic, social and territorial disparities across the EU, restructure declining industrial areas and diversify rural areas which have declining agriculture. In doing so, EU regional policy is geared towards making regions more competitive, fostering economic growth and creating new jobs. The policy also has a role to play in wider challenges for the future, including climate change, energy supply and globalisation.

https://pixabay.com/photos/european-parliament-strasbourg-patio-1265254/

Regional policy of the European Union

- The EU's regional policy covers all European regions, although regions across the EU fall in different categories (so-called objectives), depending mostly on their economic situation. Between 2007 and 2013, EU regional policy consisted of three objectives: Convergence, Regional competitiveness and employment, and European territorial cooperation; the previous three objectives (from 2000 to 2006) were simply known as Objectives 1, 2 and 3.
- The policy constitutes the main investment policy of the EU, and is due to account for around of third of its budget, or EUR 392 billion over the period of 2021-2027.

Member states (27) [hide]

- Austria
- Belgium
- Bulgaria
- Croatia
- Cyprus
- Czech Republic
- Denmark
- Estonia
- Finland
- France
- Germany
- Greece
- Hungary
- Ireland
- Italy
- Latvia
- Lithuania
- Luxembourg
- Malta
- Netherlands
- Poland
- Portugal
- Romania
- Slovakia
- Slovenia
- Spain
- Sweden

Regional policy of the European Union

In 2021-27 EU regional policy works to make a difference in 5 key areas:

- investing in people by supporting access to employment, education and social inclusion opportunities
- supporting the development of small and medium size businesses
- strengthening research & innovation through investment and research-related jobs: 本科，硕士，读博士的研究生, 博士，Postdoc, associate professor, professor, full professor.
- improving the environment through major investment projects
- modernising transport and energy production to fight against climate change, with a focus on renewable energy and innovative transport infrastructure

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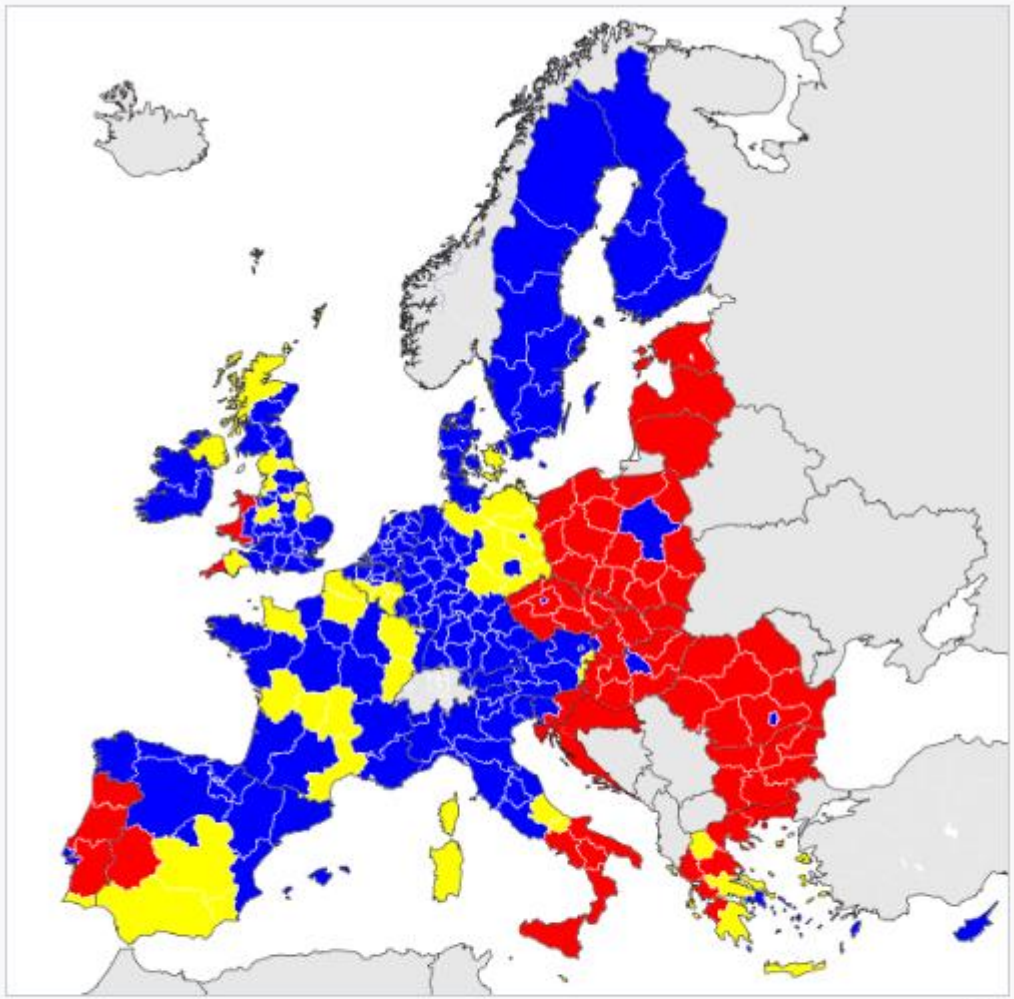
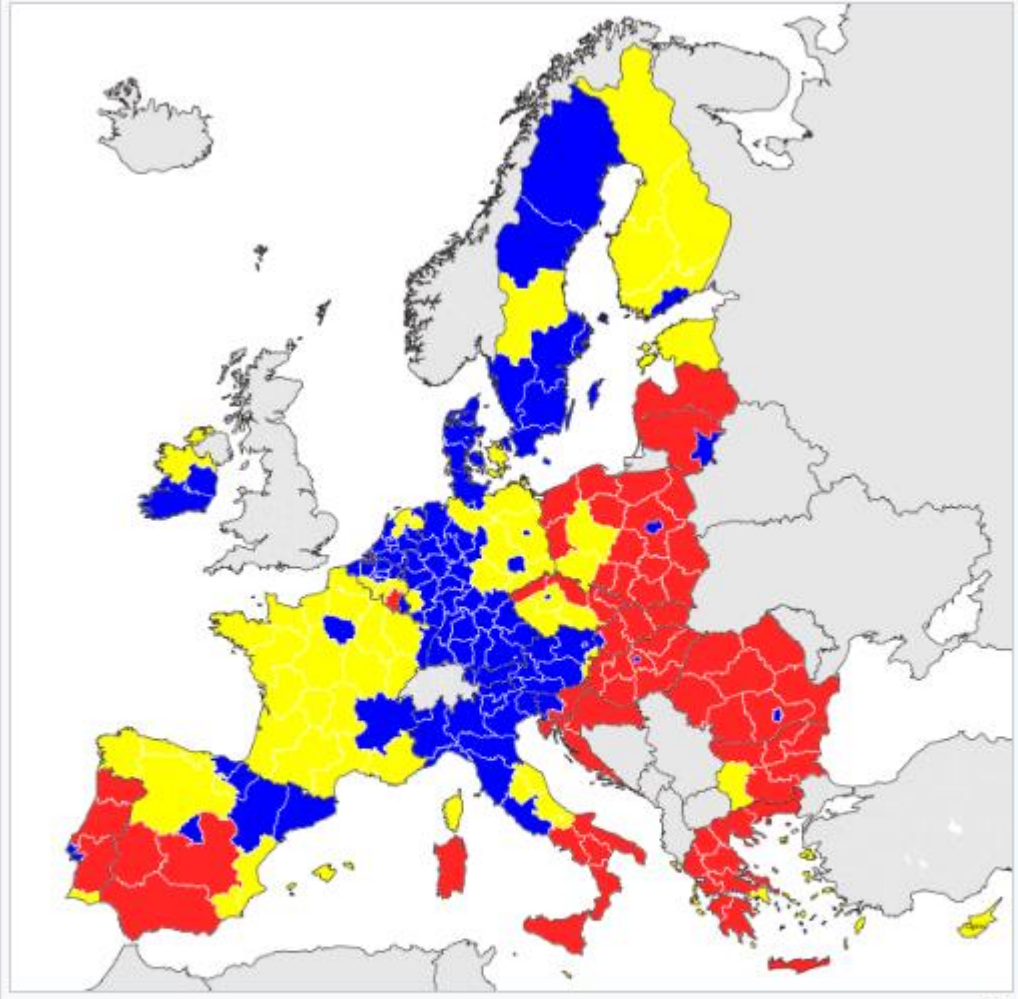
Notion of territorial cohesion

Territorial cohesion is a European Union concept which builds on the European Spatial Development Perspective (ESDP).The main idea of territorial cohesion is to contribute to European sustainable development and competitiveness. It is intended to strengthen the European regions, promote territorial integration and produce coherence of European Union (EU) policies so as to contribute to the sustainable development and global competitiveness of the EU. Sustainable development is defined as development that "meets the needs of the present without compromising the ability of future generations to meet their own needs".

https://sustainabledevelopment.un.org/content/documents/5987our-common-future.pdf



Classification of regions from 2014 to 2020:
- Less developed regions
- Transition regions
- More developed regions



Classification of regions from 2021 to 2027:
- Less developed regions
- Transition regions
- More developed regions

Less developed regions

By far the largest amount of regional policy funding is dedicated to the regions designated as less developed. This covers Europe's poorest regions whose per capita gross domestic product (GDP) is less than 75% of the EU average. This includes nearly all the regions of the new member states, most of Southern Italy, Greece and Portugal.

In less developed regions, bank loans account for 49% of finance. Grants make up a larger portion of the financing in less developed areas, accounting for 13% of external financing.

- Bulgaria – all (except Southwestern region)
- Croatia - all
- Czech Republic – all (except Prague)
- Estonia – all
- France – French Guiana, Guadeloupe, Martinique, Réunion
- Greece – Anatoliki Makedonia Thraki, Dytiki Ellada, Ipeiros, Kentriki Makedonia, Thessalia
- Hungary – all (except Central Hungary)
- Italy – Basilicata, Calabria, Campania, Apulia, Sicily
- Latvia – all
- Lithuania – all
- Poland – all (except the Warsaw Metro NUTS2 Unit carved out of Masovian Voivodeship)
- Portugal – Alentejo, Azores, Centro, Norte
- Romania – all (except Bucharest)
- Slovakia – all (except Bratislava)
- Slovenia – Vzhodna Slovenija
- Spain – Extremadura

Transition regions

These are regions whose GDP per capita falls between 75 and 90 percent of the EU average. As such, they receive less funding than the less developed regions but more funding than the more developed regions.

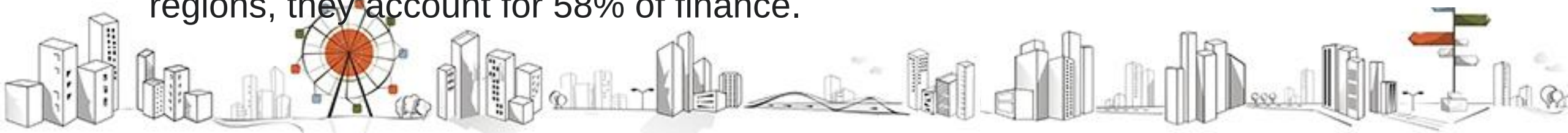
In transition regions, bank loans account for 69% of finance. Particularly transitional regions appear to profit from investments in more developed regions. There is a 34% of the impact on GDP and 47% of the impact on employment in some circumstances.

- Austria – Burgenland
- Belgium – all of Wallonia (except Walloon Brabant)
- Denmark – Sjælland
- France – Auvergne, Corsica, Franche-Comté, Languedoc-Roussillon, Limousin, Lorraine, Lower Normandy, Nord-Pas-de-Calais, Picardy, Poitou-Charentes
- Germany – Lüneburg, all of the former East Germany sans Berlin (except Leipzig)
- Greece – Dytiki Makedonia, Ionia Nisia, Kriti, Peloponnisos, Sterea Ellada, Voreio
- Italy – Abruzzo, Molise, Sardinia
- Malta – all
- Poland - none
- Portugal – Algarve
- Spain – Andalucía, Canarias, Castilla-La Mancha, Melilla, Murcia

More developed regions

- This covers all European regions that are not covered elsewhere, namely those which have a GDP per capita above 90 percent of the EU average. The main aim of funding for these regions is to create jobs by promoting competitiveness and making the regions concerned more attractive to businesses and investors. Possible projects include developing clean transport, supporting research centres, universities, small businesses and start-ups, providing training, and creating jobs. Funding is managed through either the ERDF or the ESF.
- In all regions, bank loans are the most prevalent type of external financing. In more developed regions, they account for 58% of finance.

- Austria – all (except Burgenland)
- Belgium – all of Flanders, Brussels, Walloon Brabant
- Cyprus – all
- Czech Republic – Prague
- Denmark – all (except Sjælland)
- Finland – all
- France – Alsace, Aquitaine, Burgundy, Brittany, Centre, Champagne-Ardenne, Île d'Azur, Rhône-Alpes, Upper Normandy
- Germany – Berlin, Leipzig, all of the former West Germany (except Lüneburg)
- Greece – Attiki, Notio Aigaio
- Hungary – Közép-Magyarország
- Ireland – all
- Italy – Emilia-Romagna, Friuli-Venezia Giulia, Lazio, Liguria, Lombardy, Marche, Veneto
- Luxembourg – all
- Netherlands – all
- Poland – the Warsaw Metro NUTS2 Unit carved out of Masovian Voivodeship
- Portugal – Lisbon region, Madeira
- Romania – Bucharest
- Slovakia – Bratislava
- Slovenia - Zahodna Slovenija
- Spain – Aragon, Asturias, Balearic Islands, Basque Country, Cantabria, Castilla Valencian Community
- Sweden – all

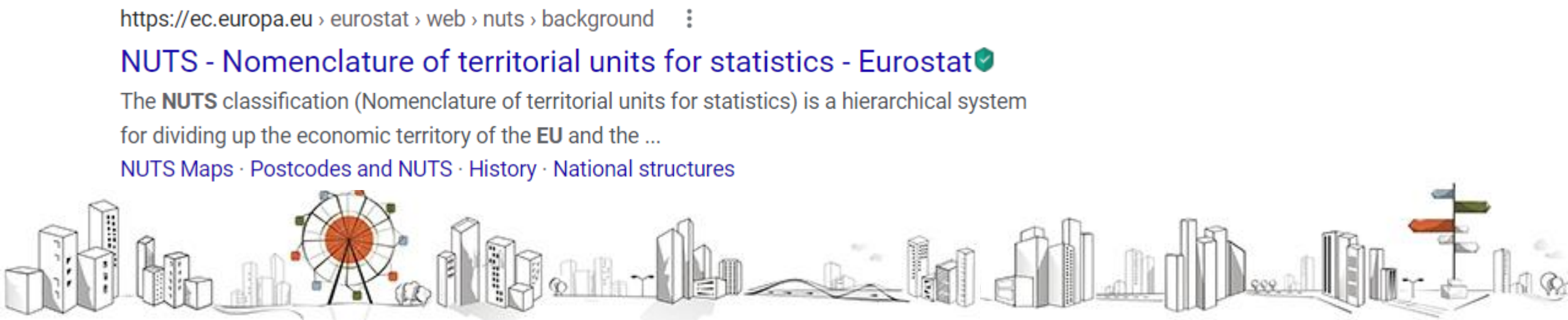


European territorial cooperation

This objective aims to reduce the importance of borders within Europe – both between and within countries – by improving regional cooperation. It allows for three different types of cooperation: cross-border, transnational and interregional cooperation. The objective is currently by far the least important in pure financial terms, accounting for only 2.5% of the EU's regional policy budget. It is funded exclusively through the ERDF.

Instruments and funding

The cohesion policy accounts for almost one third of the EU's budget, equivalent to almost EUR 352 billion over seven years in 2014-2020,and EUR 392 billion in 2021-2027, dedicated to the promotion of economic development and job creation, and for helping communities and nations get ready for the European Union's transition to a more sustainable and digital economy



Instruments and funding

The main resource of EU's territorial cohesion policy is EU's structural funds. There are two structural funds available to all EU regions: the European Regional Development Fund (ERDF)and the European Social Fund (ESF).The ERDF is intended to be used for the creation of infrastructure and productive job-creating investment and it is mainly for the businesses, while the ESF is meant to contribute to the integration of the unemployed populations into the work life via training measurements. The funds are managed and delivered in partnership between the European Commission, the Member States and stakeholders at the local and regional level. In the 2014–2020 funding period, money is allocated differently between regions that are deemed to be "more developed" (with GDP per capita over 90% of the EU average), "transition" (between 75% and 90%), and "less developed" (less than 75%), and additional funds are set aside for member states with GNI per capita under 90 percent of the EU average in the Cohesion Fund. Funding for less developed regions, like the Convergence objective before it, aims to allow the regions affected to catch up with the EU's more prosperous regions, thereby reducing economic disparity within the European Union. Examples of types of projects funded under this objective include improving basic infrastructure, helping businesses, building or modernising waste and water treatment facilities, and improving access to high-speed Internet connections. Regional policy projects in less developed regions are supported by three European funds: the European Regional Development Fund (ERDF), the European Social Fund (ESF) and the Cohesion Fund.

The **European Structural and Investment Funds (ESI Funds, ESIFs)** are financial tools governed by a common rulebook, set up to implement the regional policy of the European Union, as well as the structural policy pillars of the Common Agricultural Policy and the Common Fisheries Policy. They aim to reduce regional disparities in income, wealth and opportunities. Europe's poorer regions receive most of the support, but all European regions are eligible for funding under the policy's various funds and programmes. The current framework is set for a period of seven years, from 2021 to 2027.

Five ESIFs currently exist, they are:

- under the Cohesion Policy:
  - the European Regional Development Fund (ERDF)
  - the Cohesion Fund (CF)
  - the European Social Fund Plus (ESF+)
- under the Common Agricultural Policy (CAP):
  - the European Agricultural Fund for Rural Development (EAFRD)
- under the Common Fisheries Policy (CFP):
  - the European Maritime, Fisheries and Aquaculture Fund (EMFAF)

Cohesion Policy

Please follow the link to watch the updated EU cohesion Policy

https://ec.europa.eu/regional_policy/2021-2027_en

European Commission

English | Translate | Search the InfoRegio website | Search

EU regional and urban development

Home | Policy | 2021-2027 | Funding | What's new | In your country | Projects | Information sources

Regional Policy > New Cohesion Policy

New Cohesion Policy

EU Cohesion Policy contributes to strengthening economic, social and territorial cohesion in the European Union. It aims to correct imbalances between countries and regions. It delivers on the Union's political priorities, especially the green and digital transition.

News

Register now! Registration for the first Cohesion4Transitions Conference is...

04 May 2023

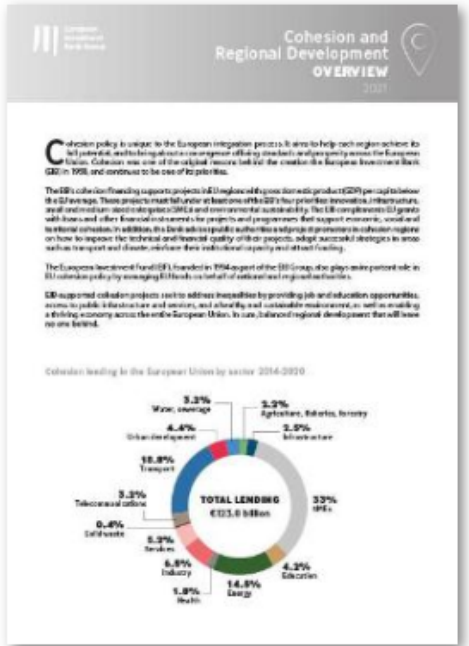
Interview with Normunds Popens on Cohesion policy's outcome and future

03 May 2023

Partnership agreements

- Partnership agreements 2021-2027

Cohesion and Regional Development Overview 2021



PDF

DESCRIPTION

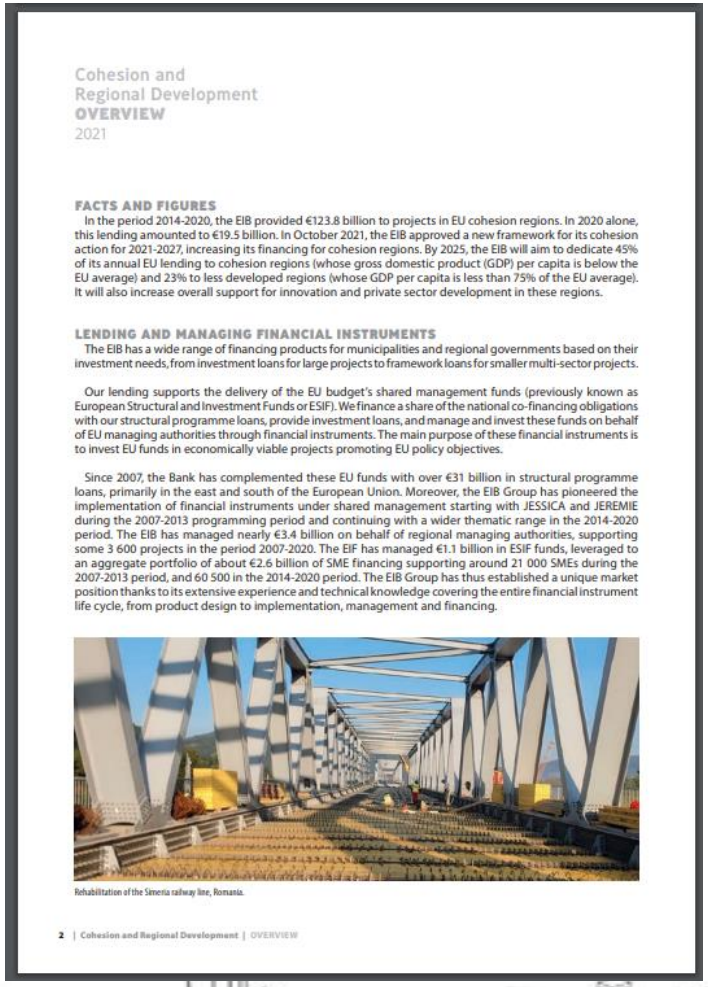
This publication gives an overview of the European Investment Bank's contribution for cohesion and regional development. It details the Bank's activities in the sector and highlights key projects. The stories, videos and case studies, illustrate how the Bank's financing and advice help countries, regions and cities.

What is European Investment Bank.
Its impact on the Cohesion and Regional Development

The European Investment Bank is the lending arm of the European Union. We are the biggest multilateral financial institution in the world and one of the largest providers of climate finance.

https://www.eib.org/attachments/thematic/cohesion_and_regional_development_overview_2021_en.pdf

Cohesion policy is unique to the European integration process. It aims to help each region achieve its full potential, and to bring about a convergence of living standards and prosperity across the European Union. Cohesion was one of the original reasons behind the creation the European Investment Bank (EIB) in 1958, and continues to be one of its priorities.



Cohesion and
Regional Development
OVERVIEW
2021

FACTS AND FIGURES

In the period 2014-2020, the EIB provided €123.8 billion to projects in EU cohesion regions. In 2020 alone, this lending amounted to €19.5 billion. In October 2021, the EIB approved a new framework for its cohesion action for 2021-2027, increasing its financing for cohesion regions. By 2025, the EIB will aim to dedicate 45% of its annual EU lending to cohesion regions (whose gross domestic product (GDP) per capita is below the EU average) and 23% to less developed regions (whose GDP per capita is less than 75% of the EU average). It will also increase overall support for innovation and private sector development in these regions.

LENDING AND MANAGING FINANCIAL INSTRUMENTS

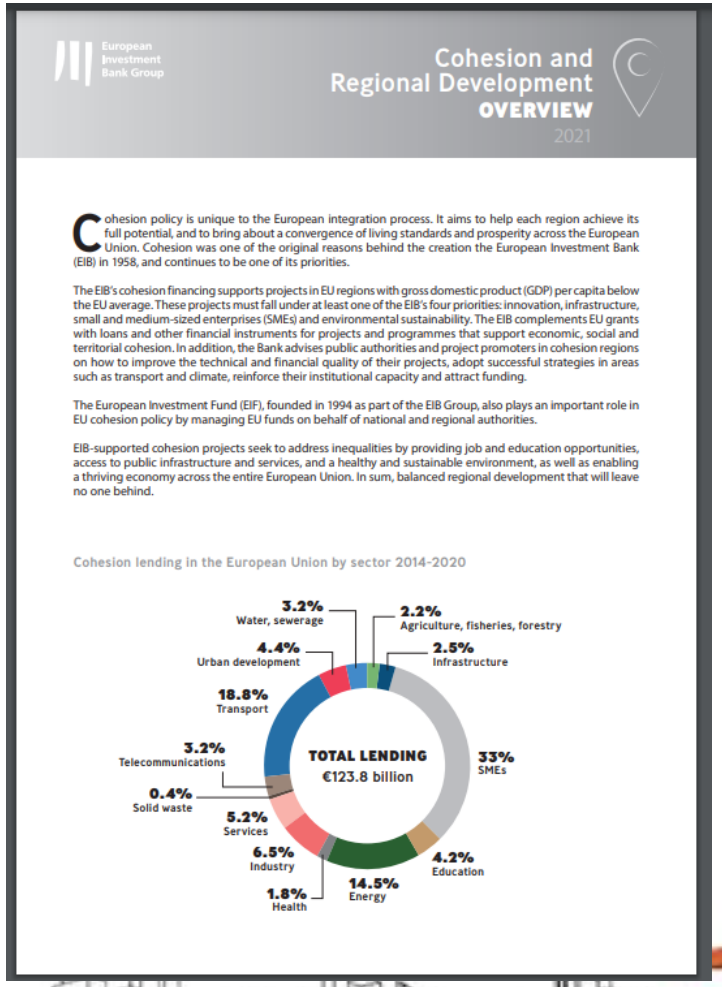
The EIB has a wide range of financing products for municipalities and regional governments based on their investment needs, from investment loans for large projects to framework loans for smaller multi-sector projects.

Our lending supports the delivery of the EU budget's shared management funds (previously known as European Structural and Investment Funds or ESIF). We finance a share of the national co-financing obligations with our structural programme loans, provide investment loans, and manage and invest these funds on behalf of EU managing authorities through financial instruments. The main purpose of these financial instruments is to invest EU funds in economically viable projects promoting EU policy objectives.

Since 2007, the Bank has complemented these EU funds with over €31 billion in structural programme loans, primarily in the east and south of the European Union. Moreover, the EIB Group has pioneered the implementation of financial instruments under shared management starting with JESSICA and JEREMIE during the 2007-2013 programming period and continuing with a wider thematic range in the 2014-2020 period. The EIB has managed nearly €3.4 billion on behalf of regional managing authorities, supporting some 3 600 projects in the period 2007-2020. The EIF has managed €1.1 billion in ESIF funds, leveraged to an aggregate portfolio of about €2.6 billion of SME financing supporting around 21 000 SMEs during the 2007-2013 period, and 60 500 in the 2014-2020 period. The EIB Group has thus established a unique market position thanks to its extensive experience and technical knowledge covering the entire financial instrument life cycle, from product design to implementation, management and financing.

Rehabilitation of the Simeria railway line, Romania.

2 | Cohesion and Regional Development | OVERVIEW



European Investment Bank Group

Cohesion and
Regional Development
OVERVIEW
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Cohesion policy is unique to the European integration process. It aims to help each region achieve its full potential, and to bring about a convergence of living standards and prosperity across the European Union. Cohesion was one of the original reasons behind the creation the European Investment Bank (EIB) in 1958, and continues to be one of its priorities.

The EIB's cohesion financing supports projects in EU regions with gross domestic product (GDP) per capita below the EU average. These projects must fall under at least one of the EIB's four priorities: innovation, infrastructure, small and medium-sized enterprises (SMEs) and environmental sustainability. The EIB complements EU grants with loans and other financial instruments for projects and programmes that support economic, social and territorial cohesion. In addition, the Bank advises public authorities and project promoters in cohesion regions on how to improve the technical and financial quality of their projects, adopt successful strategies in areas such as transport and climate, reinforce their institutional capacity and attract funding.

The European Investment Fund (EIF), founded in 1994 as part of the EIB Group, also plays an important role in EU cohesion policy by managing EU funds on behalf of national and regional authorities.

EIB-supported cohesion projects seek to address inequalities by providing job and education opportunities, access to public infrastructure and services, and a healthy and sustainable environment, as well as enabling a thriving economy across the entire European Union. In sum, balanced regional development that will leave no one behind.

Cohesion lending in the European Union by sector 2014-2020

Case-studies from EIB

Whether it is upgrading urban infrastructure in the Czech Republic and Poland, or supporting the rural economy in Romania and Hungary and renewable energy in Spain, the EIB invests in Europe's regions, helping to make them inclusive and successful. The EIB also acts as a catalyst for bigger infrastructure projects that need significant financing. Many projects from the past have become part of the local landscape, like the Autostrada del Sole in Italy, which connected the north and south of the country in the 1960s and still does today. Other projects are more recent, though no less impactful. The examples below provide a sample of the variety of countries and sectors where a cohesion-inspired loan has benefited local economies and helped lift living standards for their people.

https://www.eib.org/en/projects/country/bulgaria

HOME → PROJECTS →

Bulgaria and the EIB

We have worked in Bulgaria since 1992, financing projects that reduce regional disparities and strengthen economic competitiveness.

ENGLISH

PDF DOWNLOAD PRINT SHARE

Please read the case-study and share its highlights and outcomes of the FLAG project.
The PDF file and link have been sent to you in our chat.

https://www.eib.org/en/press/all/2020-251-eib-and-fund-flag-agree-eur25-million-loan-for-cities-across-bulgaria

Urban regeneration – Bulgaria A €25 million loan to Fund FLAG to promote urban regeneration and rehabilitation in cities across Bulgaria, expected to create 1 500 construction jobs. 20% of the investment will go to energy efficiency and climate adaptation projects. This operation is part of a wider collaboration to increase the firepower of cohesion funding for urban development. In 2020, the EIB, the Fund of Funds (Fund Manager of Financial Instruments in Bulgaria) and Fund FLAG established the Bulgarian Urban Investment and Advisory Platform.

European Investment Bank

EIB and Fund FLAG agree €25 million loan for cities across Bulgaria

30 September 2020

©UNGVARI ATTILA/ SHUTTERSTOCK

- 20% of investment for energy efficiency and climate adaptation
- Supported projects expected to create 1 500 construction jobs
- Linked with advisory and technical assistance from European Investment Advisory Hub

The European Investment Bank (EIB) and Fund FLAG have signed a €25 million loan to promote urban regeneration and rehabilitation in cities across Bulgaria. Fund FLAG will match the loan amount with €25 million of its own resources and channel the total €50 million to municipalities, municipal enterprises and other institutions responsible for providing public services.

Fund FLAG will support investments for upgrading urban green areas and open public spaces, improving sustainable urban transport and renovating and reconstructing public buildings (schools, health centres and administrative buildings). In addition, it will focus on upgrading small-scale basic municipal infrastructure (road network, drinking water and sewers) and climate change adaptation measures.

This operation forms part of a wider collaboration to increase the firepower of cohesion funding for urban

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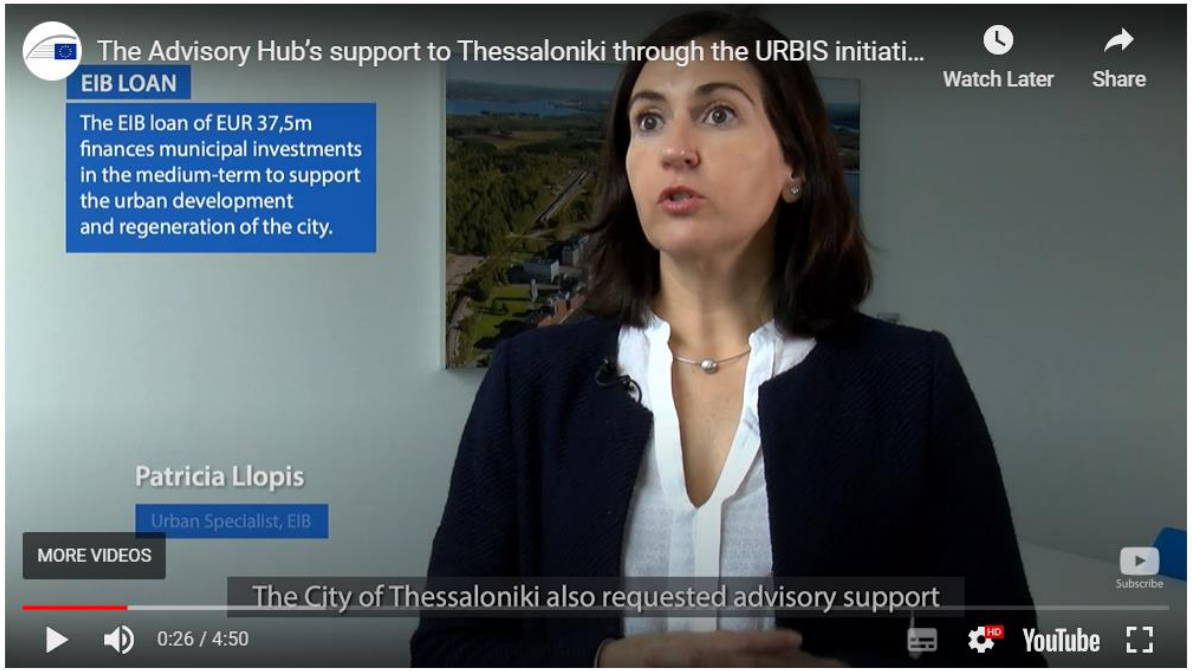
Please, read and watch the video the case-study via visiting its webpage https://advisory.eib.org/videos/support-thessaloniki-through-urbis-initiative

Greece



Smart infrastructure investment in Thessaloniki

Following a €37.5 million EIB framework loan approval in 2015, the Municipality of Thessaloniki asked the Advisory Hub, under the URBIS initiative, to help implement the city's municipal investment programme. This included the finalisation of an investment programme and strategy, project prioritisation and technical assistance for specific investment areas.

More information online

Please, read and watch the video the case-study via visiting its webpage

Video Case Study: Poznán Social Housing Investment Facility

https://advisory.eib.org/videos/poznan-social-housing-investment-facility

Read the case-study and share its highlights and outcomes
https://www.eib.org/en/press/all/2014-141-eib-supports-urban-infrastructure-in-plzen.htm

The link and PDF file have been sent to our chat

Urban infrastructure – Plzeň, Czech Republic Three loans totalling approximately €113 million to the city of Plzeň in Western Bohemia to finance municipal infrastructure projects in the areas of transport, environmental protection, water infrastructure, education, cultural heritage and other municipal services.

European Investment Bank

Czech Republic: EIB supports urban infrastructure in Plzeň

19 June 2014

The European Investment Bank (EIB) has signed a loan of CZK 650 million (approx. EUR 24 million) with the City of Plzeň, in Western Bohemia, to finance municipal infrastructure projects in the areas of transport, environmental protection, education, cultural heritage and other municipal services.

Wilhelm Molterer, EIB Vice-President responsible for lending operations in the Czech Republic, who signed the EIB loan agreement with the city authorities today, stated: *"Urban development is one of the key investment priorities of the EIB. Funds provided by the Bank on favourable terms will go a long way towards upgrading infrastructure in this important and vibrant city."*

This is the third EIB loan provided to Plzeň. Successful cooperation between the EIB and the municipality was established through a EUR 30 million loan signed in two tranches in 2005 and 2008, targeting investments in water infrastructure such as water retention tanks, water supply systems and sewerage facilities. A further loan of CZK 1.6 billion (some EUR 59 million) followed in 2009 to support various sectors,

07/05/2023 1 / 2

Please read the case-study and share its highlights and outcomes. The PDF file and link have been sent to you in our chat.
https://advisory.eib.org/stories/virtual-reality-lab-in-bulgaria

ADVISORY SUPPORT IN COHESION REGIONS – HIGHLIGHTS

Virtual reality lab in Bulgaria

The Advisory Hub's experts are helping the region of Stara Zagora to assess the market potential and build a business case for the development of a laboratory for immersive multi-wall virtual reality that will host research and development activities, fostering collaboration between investors, universities and innovative industries. The Advisory Hub has helped develop a financial model to generate sustainable revenues and attract further financing sources, ensuring that the project is viable, financially sustainable and delivers economic, social and educational benefits.

Virtual reality lab, Bulgaria.

Other case-studies and PROJECT HIGHLIGHTS from EIB

- Urban infrastructure – Plzeň, Czech Republic
- Urban regeneration – Bulgaria
- Social housing – Poland
- Framework loan – Greece
- Guarantee for the French overseas territories of French Guiana, Guadeloupe, Réunion, Martinique and Mayotte
- Renewable energy – Extremadura, Spain
- Supporting SMEs – Croatia
- Supporting businesses – Baltic States
- Rural development – Romania
- Rural development – Hungary
- Upgrading elderly care infrastructure – Portugal

ADVISORY SUPPORT IN COHESION REGIONS – HIGHLIGHTS

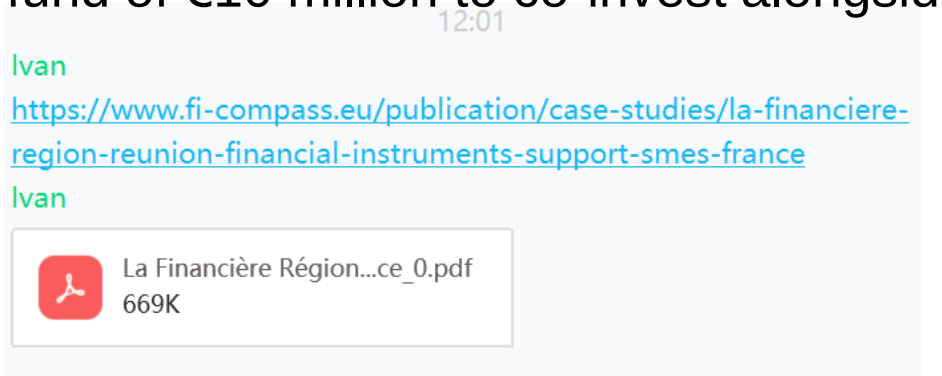
- Virtual reality lab in Bulgaria
- Tailored assistance package to improve healthcare facilities in Romania
- Smart infrastructure investment in Thessaloniki
- InnovFin Advisory in Romania and Bulgaria
- E-School pilot project in Croatia
- E67/A7 Kekava bypass in Latvia
- Public-private partnership support in Greece
- ELENA in cohesion countries

FINANCIAL INSTRUMENTS UNDER SHARED MANAGEMENT – HIGHLIGHTS

- Support to Sardinia in Italy in response to the COVID-19 crisis
- Support for the Andalusian agricultural sector
- Support for energy efficiency projects in the Polish housing sector
- La Financière Région Réunion – Financial instruments to support SMEs in France
- Residential energy efficiency financial instruments in Lithuania

Please read the case-study and share its highlights and outcomes. The PDF file and link have been sent to you in our chat.
https://www.fi-compass.eu/publication/case-studies/la-financiere-region-reunion-financial-instruments-support-smes-france

The La Financière Région Réunion fund of funds, with the EIF acting as fund manager, was set up in Réunion with resources from the European Regional Development Fund. Its mandate is to implement and manage two financial instruments to support SMEs, including micro-enterprises. The region has established a loan fund of €62 million under separate financial intermediaries (including private co-financing) and an equity fund of €10 million to co-invest alongside private investors.



Thank you

Please, note that some videos are posted on YouTube hosting service by EU authorities and could be unavailable from China.