

Capital Cities & Regions Network

Reaction to the 9th Cohesion Report

In light of the [Ninth report on economic, social and territorial cohesion](#) and of the accompanying communication ([COM\(2024\) 149 final](#)) published on 27 April 2024 by the European Commission, **the undersigned European capital cities and regions**, following their [preliminary position on the EU cohesion policy post-2027](#)¹:

1. **take note of the many references made to capital regions and cities** both in the report² and in the communication, most often to emphasise that *“in many Member States economic development is driven by the competitiveness of capital regions and major agglomerations”*, that *“in many Eastern Member States, increases in disparities have been driven by very high growth rates in the most developed regions (typically the capital city region)”* and that *“they concentrate human capital (including universities, vocational training centres and R&D centres) and ensure high connectivity and high quality services”*;
2. **stress the relevance of the Commission's assertion that “their attractiveness comes at a price: higher congestion, social challenges, and housing costs – which, coupled with higher wage costs, may undermine their competitiveness”** and of its very clear observation that **“pockets of poverty can be found in every region – including developed urban areas. Some population groups, such as marginalised communities, live in persistent poverty, marked by housing segregation, insufficient education and employment opportunities, and limited access to basic services”**. Environmental pressures can also be highlighted in this context as one of the major challenges facing capital cities and regions;
3. **are concerned that the Commission's Communication seems to take very little account of sub-regional disparities**, even though the authors of the 9th Cohesion Report are careful to point out that *“GDP and household income per head are key indicators for assessing economic convergence and disparities across regions, but do not shed light on the extent to which the benefits of growth are shared among people within regions”*, especially since **several maps using indicators at NUTS 3 level³ reveal significant differences even within capital regions**. Additionally, working poverty is a significant issue, as even those employed may struggle to meet decent living standards due to high living costs in these territories;
4. wish to insist in this context, and considering the Commission's recommendations aimed at *“extending [regional] drivers of growth beyond metropolitan areas to mitigate deepening interregional disparities”*, on **the need for Cohesion Policy to continue strengthening economic, social and territorial cohesion for all regions and cities in the post-2027 programming period**. These objectives enshrined in Article 174 of the TFEU are indeed at the heart of the European project and can only be achieved with capital cities and regions which are home to a large proportion of the EU's population;
5. acknowledge that **they are not totally spared by the rise of Euroscepticism and not immune to the dynamics of discontent highlighted in the 9th Cohesion Report⁴**. They also note that in his [report on the future of the Single Market](#) discussed during the 9th Cohesion Forum as a major contribution to the ongoing debate on the modernisation of European investment policies, **Enrico Letta insists on “the freedom to stay” in one's territory⁵ and on the key role of the EU Cohesion Policy in this respect to identify and mobilise the resources of endogenous territorial development**. The EU overall objective should indeed remain the wellbeing of European citizens, **including those living in capital cities and regions, and the future EU Cohesion Policy should contribute to providing the same living and working conditions in each and every of its territories**;

¹ Supported in November 2023 by 13 Capital Cities & Regions: Amsterdam, City of Budapest, Bratislava Region, Berlin, Brandenburg, Brussels-Capital Region, Helsinki-Uusimaa Region, Île-de-France Region, City of Prague, Riga, Region Stockholm, City of Stockholm and Vienna

² See page 92 of the 9th Cohesion Report

³ For instance, **Map 1 “Economic Development Index at NUTS 3 level, 2001–2021”** and **Map 1.8 “Development trap index 1 at NUTS-3 level, 2001–2018”** (pages xiv and 33 of the 9th Cohesion Report)

⁴ See pages 32-35 of the 9th Cohesion Report

⁵ See pages 92-100 of the report *“Much more than a market - Speed, security, solidarity: Empowering the Single Market to deliver a sustainable future and prosperity for all EU Citizens”* (April 2024)

6. appreciate the Commission's work on functional urban areas and the importance of urban-rural relations⁶. Urban-rural linkages, as well as linkages with smaller cities in the vicinity of capital cities are indeed important drivers of regional development and capital cities and regions can attest the effectiveness of territorial strategies based on functional urban and peri-urban areas which should be duly supported by the next Cohesion Policy;
7. do share with the Commission *"the need for further improvement of the design of Cohesion Policy"* and underline in this respect that the process establishing the Recovery and Resilience Facility (RRF) may not be considered exemplary since the RRF **was planned and implemented without any constructive involvement of local and regional authorities and** without sufficient hindsight on its real impact on the ground in the EU territories. Simplification of Cohesion Policy implementation should **not provide an argument for recentralising Cohesion Policy at European or national levels nor for establishing budgetary instruments that would be territorially blind**. This would be contrary to a balanced and integrated policy that is effectively addressing the pressing social and economic challenges across the EU, which is a key-deliverable that EU citizens expect from the EU;
8. emphasize consequently **the importance of the principles of partnership and multilevel governance** and point out the need for **the strongest possible incentive for member states' governments to conduct meaningful consultation processes throughout the design, implementation, and control of Cohesion Policy programmes**. In this respect, a **better involvement of capital cities and regions in the management of Cohesion Policy resources dedicated to urban and periurban territories** (e.g. Sustainable Urban Development tools) would be required in line with the subsidiary principle;
9. remain mobilised in favour of a European Cohesion Policy that is faithful to its foundations and available to continue discussions on Cohesion Policy post-2027, including at the highest political level in their respective Member States, but also with the members of the European Parliament elected in June 2024 and with the next College of Commissioners.

► **List of the Capital Cities & Regions supporting this reaction to the 9th Cohesion Report**

 BERLIN	 BUDAPEST
 BRANDENBURG LAND BRANDENBURG	 BRATISLAVA REGION
 BRUSSELS-CAPITAL REGION	 Helsinki-Uusimaa Region
 Région île de France	 Comunidad de Madrid
 Mazovia. heart of Poland	  RĪGA
 Stockholms stad	 Region Stockholm

⁶ Page 89 of the 9th Cohesion Report