CPMR projection of Cohesion Policy eligibility

The European Commission’s recently published reflection papers on the Social Dimension of Europe and Harnessing globalisation have rightly recognised the need for redistributive policies addressing the increase in imbalances across Europe.

This position has been confirmed by the most recent set of regional GDP statistics for Europe, published at the end of March by the European Statistical Office (Eurostat), which illustrate the rise of regional disparities. The data, which covers regional GDP for 2015 at NUTS2 level, also shows the persistent negative effects of the economic crisis on regions in southern Europe.

1. CPMR simulation – methodology and assumptions

The CPMR General Secretariat carried out a simulation exercise to evaluate the eligibility of CPMR regions if the latest regional GDP statistics were used. This simulation takes into account the following assumptions/reminders:

- Eligibility for Cohesion Policy is calculated using regional GDP (at NUTS II level) data in purchasing power standard (PPS) as a percentage of the EU average

- An average of three years is taken to determine in which category (more developed, transition, less developed) a region will be.

- The political agreement on the Cohesion Policy package for 2014 / 2020 reached in November 2013 confirmed that the reference period for Cohesion Policy eligibility would be the 2007/2008/2009 regional GDP average

Based on these assumptions, the exercise carried out by the CPMR secretariat considered the average of regional GDP for 2013, 2014 and 2015 for this analysis.

2. Projections

The following map shows what the eligibility of regions within Cohesion Policy would look like using the latest GDP statistics. Brexit is considered as effective.
Figure 1 – Cohesion Policy eligibility 2014 – 2020: comparison of 2007, 2008, 2009 regional GDP as % of EU average with forecast based on 2013, 2014, 2015 regional GDP as % of EU average

**Analysis of trends**

- **34 regions would change eligibility** using the most recent regional GDP data.

- Out of these 34 regions, **23 would move down a category** (from more developed to transition regions or from transition to less developed), whilst **11 would move up** a category.

- At the level of the Member States, **the regions of southern Europe** are the most affected by these declines: 22 of these regions are in Greece, Spain, Italy, Cyprus, and Portugal.

- **Greece and Spain** are the countries with the most amount of eligibility changes.

- Many of the trends identified by the CPMR in its analysis published last year (see here) are confirmed with the most recent figures.

- Figures generally suggest a **general positive trend for regions from EU13 Member States** and a **downward trend for Mediterranean regions** (with the exception of Malta)

- **Many islands, including all Greek islands and Sardinia, would plunge down a category.** The picture is more mixed regarding outermost regions, but Madeira would theoretically drop from the more developed to the less developed region category.
Notably, the map shows that the withdrawal of the UK from the EU has the effect of slightly reducing the European average of the GDP per capita used, but by itself does not have a major impact on the eligibility of the regions in the Cohesion policy.

Figure 2 – Cohesion Policy eligibility 2014 – 2020: comparison of 2007, 2008, 2009 regional GDP as % of EU average with forecast based on 2013, 2014, 2015 regional GDP as % of EU average (including UK)

If Brexit was not taken into account in the simulation:

- Lithuania, Malta, one Bulgarian region and one Austrian region would not change eligibility (compared to the above simulation in this document)

- Two French regions (Centre and Bourgogne regions) would move from the more developed regions to the transition regions category.

- 12 UK regions would change eligibility

The full breakdown of regions and comparative data can be accessed here.
The Conference of Peripheral Maritime Regions (CPMR) brings together some 160 Regions from 25 States from the European Union and beyond.

Representing about 200 million people, the CPMR campaigns in favour of a more balanced development of the European territory.

It operates both as a think tank and as a lobby group for Regions. It focuses mainly on social, economic and territorial cohesion, maritime policies and accessibility.

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