



TEXTS ADOPTED

P9_TA(2023)0461

Reshaping the future framework of EU structural funds to support regions particularly affected by challenges related to the automotive, green and digital transitions

European Parliament resolution of 12 December 2023 on reshaping the future framework of EU structural funds to support regions particularly affected by challenges related to the automotive, green and digital transitions (2023/2061(INI))

The European Parliament,

- having regard to Articles 2 and 3 of the Treaty on European Union,
- having regard to Articles 174 to 178 and 349 of the Treaty on the Functioning of the European Union,
- having regard to Regulation (EU) 2021/1060 of the European Parliament and of the Council of 24 June 2021 laying down common provisions on the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, the Just Transition Fund and the European Maritime, Fisheries and Aquaculture Fund and financial rules for those and for the Asylum, Migration and Integration Fund, the Internal Security Fund and the Instrument for Financial Support for Border Management and Visa Policy¹ (Common Provisions Regulation),
- having regard to Regulation (EU) 2021/1058 of the European Parliament and of the Council of 24 June 2021 on the European Regional Development Fund and on the Cohesion Fund²,
- having regard to Regulation (EU) 2021/1056 of the European Parliament and of the Council of 24 June 2021 establishing the Just Transition Fund³,
- having regard to Regulation (EU) 2021/1057 of the European

¹ [OJ L 231, 30.6.2021, p. 159.](#)

² [OJ L 231, 30.6.2021, p. 60.](#)

³ [OJ L 231, 30.6.2021, p. 1.](#)

Parliament and of the Council of 24 June 2021 establishing the European Social Fund Plus (ESF+) and repealing Regulation (EU) No 1296/2013¹,

- having regard to Regulation (EU) 2020/460 of the European Parliament and of the Council of 30 March 2020 amending Regulation (EU) No 1303/2013, Regulation (EU) No 1301/2013 and Regulation (EU) No 508/2014 as regards specific measures to mobilise investments in the health care systems of the Member States and in other sectors of their economies in response to the COVID-19 outbreak (Coronavirus Response Investment Initiative)²,
- having regard to the 'Fit for 55' package adopted by the Commission on 14 July 2021,
- having regard to Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulations (EC) No 401/2009 and (EU) 2018/1999 ('European Climate Law')³,
- having regard to Regulation (EU) 2023/851 of the European Parliament and of the Council of 19 April 2023 amending Regulation (EU) 2019/631 as regards strengthening the CO₂ emission performance standards for new passenger cars and new light commercial vehicles in line with the Union's increased climate ambition⁴,
- having regard to Regulation (EU) 2023/435 of the European Parliament and of the Council of 27 February 2023 amending Regulation (EU) 2021/241 as regards REPowerEU chapters in recovery and resilience plans and amending Regulations (EU) No 1303/2013, (EU) 2021/1060 and (EU) 2021/1755, and Directive 2003/87/EC⁵,
- having regard to the Commission proposal for a Regulation amending Regulation (EU) 2019/1242 as regards strengthening the CO₂ emission performance standards for new heavy-duty vehicles and integrating reporting obligations, and repealing Regulation (EU) 2018/956 (COM(2023)0088),
- having regard to the Commission proposal for a regulation on type-approval of motor vehicles and engines and of systems, components and separate technical units intended for such vehicles, with respect to their emissions and battery durability (Euro 7) and repealing

1 [OJ L 231, 30.6.2021, p. 21.](#)

2 [OJ L 99, 31.3.2020, p. 5.](#)

3 [OJ L 243, 9.7.2021, p. 1.](#)

4 [OJ L 110, 25.4.2023, p. 5.](#)

5 [OJ L 63, 28.2.2023, p. 1.](#)

Regulations (EC) No 715/2007 and (EC) No 595/2009 (COM(2022)0586),

- having regard to the Commission proposal for a Regulation of the European Parliament and of the Council establishing a framework for ensuring a secure and sustainable supply of critical raw materials and amending Regulations (EU) 168/2013, (EU) 2018/858, 2018/1724 and (EU) 2019/1020 (COM(2023)0160),
- having regard to the Commission communication of 1 February 2023 entitled 'A Green Deal Industrial Plan for the Net-Zero Age' (COM(2023)0062),
- having regard to the Commission report of 30 January 2023 entitled 'European Structural and Investment Funds 2022 Summary report of the programme annual implementation reports covering implementation in 2014-2020' (COM(2023)0039),
- having regard to the Commission communication of 4 February 2022 entitled 'on the 8th Cohesion Report: Cohesion in Europe towards 2050' (COM(2022)0034),
- having regard to the Eurostat regional yearbook – 2022 edition,
- having regard to the Commission communication entitled 'Mid-term revision of the MFF 2021–2027' (COM(2023)0336),
- having regard to the Commission's Digital Economy and Society Index (DESI) 2022,
- having regard to the Commission staff working document on the territorial just transition plans (SWD(2021)0275),
- having regard to the OECD report of February 2023 entitled 'Regional Industrial Transitions to Climate Neutrality'¹,
- having regard to the opinion of the European Committee of the Regions of 13 July 2022 entitled 'Towards zero emission road transport: Deploying alternative fuels infrastructure and strengthening CO₂ emission performance standards'²,
- having regard to the opinion of the European Committee of the Regions of 12 October 2022 on 'Just and Sustainable Transition in the context of the coal and energy intense regions'³,
- having regard to the opinion of the European Committee of the

¹ <https://doi.org/10.1787/35247cc7-en>.

² [OJ C 270, 13.7.2022, p. 38.](#)

³ [OJ C 498, 30.12.2022, p. 36.](#)

Regions of 12 October 2022 on 'Digital Cohesion'¹,

- having regard to the opinion of the European Committee of the Regions of 10 October 2023 on 'A Just and Sustainable Transition for Automotive Regions'²,
 - having regard to the EU's annual report on the state of regions and municipalities, published on 11 October 2022 by the Committee of the Regions,
 - having regard to its resolution of 15 September 2022 entitled 'on economic, social and territorial cohesion in the EU: the 8th Cohesion Report'³,
 - having regard to the study entitled 'Cohesion Policy in EU Coal Regions' published by its Directorate-General for Internal Policies on 31 January 2023,
 - having regard to the study entitled 'The Future of the EU Automotive Sector' published by its Directorate-General for Internal Policies on 30 September 2021,
 - having regard to the study entitled 'A Just Transition Fund - How the EU budget can best assist in the necessary transition from fossil fuels to sustainable energy' published by its Directorate-General for Internal Policies on 15 April 2020,
 - having regard to Rule 54 of its Rules of Procedure,
 - having regard to the report of the Committee on Regional Development (A9-0326/2023),
- A. whereas the green and digital transitions, including the diversification of energy and raw materials supply as well as developments in technology, give rise to new challenges as well as new opportunities for the economic, social and territorial cohesion of the European Union;
- B. whereas climate-related EU policies can contribute to the economic and social development of the Union and should be accompanied by comprehensive territorial impact assessments in order to identify the repercussions these measures may have on regions in transition, so as to promote resilience, upward social convergence, social justice, sustainability and cohesion, address negative distributional effects and reduce disparities by means of targeted support to people and industries and tailored strategies;

¹ [OJ C 498, 30.12.2022, p. 39.](#)

² [CDR 1449/2023.](#)

³ [OJ C 125, 5.4.2023, p. 100.](#)

- C. whereas the Just Transition Fund has been specifically designed to ensure that no one is left behind as the EU advances towards climate neutrality; whereas this includes providing targeted support to the regions most affected by this transition in order to avoid an increase in regional inequalities across the Union;
- D. whereas cohesion policy in the 2014-2020 period already paved the way for the transition of coal regions by incorporating a multitude of specific and transition-relevant objectives into their programmes and eventually also investing considerable funds in related fields; whereas other transition regions also require the same level of support to reduce the negative economic impacts of the deep transition process they are undergoing;
- E. whereas there are significant differences between the socioeconomic and demographic characteristics of the various regions of the EU and whereas these face different challenges, which consequently means that there is no one-size-fits-all solution for all territorial and socioeconomic needs; whereas the European Structural and Investment Funds (ESIF) have the potential to become a better EU tool to alleviate any negative impacts that result from the twin green and digital transitions, including in those regions facing fundamental transitions in the automotive sector or related industries and services;
- F. whereas despite the fact that the combined use of EU budget resources from the multiannual financial framework (MFF) and from the Recovery and Resilience Facility allows the implementation of ambitious reforms and substantial investment, it has also created major difficulties for regions and local authorities in terms of policy fragmentation, administrative capacity and the complexity of planning and executing the funds programmed for the 2021-2027 period; whereas it is necessary to accelerate the cohesion policy absorption rate and delivery of the projects on the ground;
- G. whereas road transport constitutes the highest proportion of overall transport emissions; whereas as the twin green and digital transitions progress, they are likely to pose challenges to this sector; whereas in order to uphold the competitiveness of the EU economy and preserve European production and jobs, we need to monitor the impact of EU policies on key sectors and have tools at our disposal to react in a timely manner to new challenges posed by the green and digital transitions;
- H. whereas the automotive industry is at present undergoing a major transformation due to changes in the transport system induced by the emergence of alternative and environmentally friendly modes of transport and the implementation of zero and low-emission technologies, digitalisation and automation;

- I. whereas, consequently, the automotive industry should become part of a larger-scale 'mobility transformation', which will reshape business models and value chains within the sector and entail significant employment and social changes, with patterns varying by Member States and regions; whereas substantial investments are needed in all areas of the value chain, including production, to adapt the sector to the new CO₂ emission performance standards and the gradual phasing out of CO₂-emitting vehicles in the EU;
- J. whereas the EU is among the world's biggest producers of motor vehicles and the automotive industry is one of the key European industries, generating a turnover of over 7 % of EU gross domestic product (GDP), which, in certain regions, represents up to 25 % of the regional GDP, making the sector the largest private investor in research and development (R&D) in the EU;
- K. whereas Europe's automotive sector remains a powerhouse for industrial employment as it accounts for more than 6 % of European employment overall, providing direct and indirect jobs to 13,8 million Europeans and representing 8,5 % of European manufacturing jobs;
- L. whereas the automotive sector is composed of an estimated 3 000 companies, of which 2 500 are small and medium-sized enterprises (SMEs), are independent suppliers to car manufacturers and face additional hurdles in the green and digital transformation; whereas to meet these challenges, regions and the automotive industry will have to invest heavily in technology, research and development, as well as in the reorganisation of supply chains, training of employees and adaptation to new business models;
- M. whereas the EU's future value added potential in the automotive sectors is, however, limited by the EU's heavy dependence on foreign imports of key supporting industries and raw materials for the cars of the future as well as by the lack of a strong ICT sector and large European digital players that create value through access to data, digital ecosystems and connectivity technologies;
- N. whereas cohesion policy funding offers opportunities to invest in a greener Europe and to support regions and sectors in transition; whereas the current regulatory framework does not provide for specific support measures or funding for European regions whose GDP is largely generated by the automotive sector, with the result that Member States apply different State aid strategies to this industry, which affects the territorial cohesion of the EU;
- O. whereas passenger cars and vans alone represent 15 % of the total greenhouse gas (GHG) emissions in Europe and transport is the only sector where the level of GHGs has not decreased compared to 1990 levels;
- P. whereas the swift implementation of the regulation on the

deployment of alternative fuels infrastructure should ensure the viability of the transition towards decarbonised transport systems; whereas there are considerable national and regional disparities in terms of preparedness for the transition towards decarbonised transport; whereas the share of passenger cars older than 20 years ranges from over 40 % in Poland to less than 5 % in Luxembourg and the share of new electric vehicle registrations ranges from 46 % in Sweden to 1 % in the Czech Republic and in Slovakia; whereas similar disparities exist with regard to the number of electric vehicle charging stations, with the Netherlands having almost 1 600 times more charging points than Cyprus;

- Q. whereas EU policies must not be territorially blind in order to avoid aggravating the phenomenon of 'the geography of discontent' and to generate acceptance among industry, local authorities and the people affected of the main common goals on the decarbonisation of the economy; whereas it is fundamental to adapt policies to the individual situations of post-industrial regions in order to make them attractive again, especially considering the tendency of heavily affected regions to suffer from depopulation, brain drain and economic stagnation; whereas effective strategies to enhance the attractiveness of post-industrial regions include improving quality of life, investing in education, healthcare, infrastructure, and local entrepreneurship, facilitating access to affordable housing and creating incentives for young professionals and families to remain in or move to these areas;
- R. whereas despite the current EU dependency on foreign imports of raw materials, the automotive sector is the most integrated ecosystem in intra-EU value chains, with over 45 % of its production dependent on cross-border value chains; whereas these intra-EU value chains bring together vehicle manufacturers, automotive suppliers, manufacturers of motor batteries, electrical equipment and tyres, suppliers of raw materials and car use services; whereas these value chains naturally constitute a basis for reliance and cooperation among regions;
- S. whereas the EU target of investing 3 % of EU GDP in R&D has not yet been reached;

Reshaping the future framework of EU structural and investment funds

1. Reaffirms that cohesion policy should neither compensate for budgetary inflexibility nor suffer cuts due to crises, and that, as a long-term investment strategy, it should equip regions to address and co-create industrial, technological, ecological, energy, digital, social and demographic transitions; underlines that cohesion policy can only fulfil all these tasks if it is embedded in a robust funding programme, and therefore maintains that a strong cohesion policy

with increased funding should be ensured in the post-2027 MFF;

2. Recalls that the outermost regions face specific challenges in the transition towards a Union that is greener, more digitalised and less dependent on combustion engine-powered transport, due to their remoteness from the continental network;
3. Acknowledges that the green and digital transitions present significant challenges to the objective of economic, social, and territorial cohesion, which is enshrined in the Treaties; is aware of the risk of a widening of regional disparities, a deepening of social inequalities and a rising 'geography of discontent', as the necessary adjustments required by and the potential benefits of the twin transition vary greatly from one European region to another and will heighten regional disparities in the years ahead; considers that cohesion policy must overcome the economic forces that favour a growing agglomeration of high-value economic activities in urban and industrial centres if the Union wants to maintain its goal of economic, social and territorial cohesion as enshrined in the Treaties;
4. Underlines that the plans to reduce GHG emissions by at least 55 % by 2030 and the achievement of full climate neutrality by 2050 will have considerable impacts on the economic, social and territorial cohesion of the EU;
5. Underlines the importance of paying additional attention to the territories with geographical specificities, such as rural regions, islands, the outermost regions, mountainous regions and less densely populated regions, especially those which are isolated and highly dependent on fossil fuels or specific industries that are being phased out;
6. Strongly recommends the inclusion of a specific policy objective on industrial transition within the EU cohesion policy beyond 2027; stresses that this objective should promote European strategic autonomy and address the challenging side effects of the green and digital transitions and that this should be achieved at an even higher speed in close cooperation with the local and regional authorities with a view to boosting employment with quality jobs, promoting the reskilling and upskilling of workers, especially of socially disadvantaged and long-term unemployed workers, and mitigating the negative repercussions on employment and social well-being, through support for and the diversification of local, regional and national economies;
7. Considers that the EU cohesion policy beyond 2027 should follow a more differentiated and targeted approach complementing the use of income-related criteria to determine the level of support with additional criteria that also take into account regions'

characteristics, the specific challenges they face concerning future growth potential, such as the youth unemployment rate, the long-term unemployment rate, poverty levels, job dependency on sectors in transition and investment in research and development, as well as depopulation, population ageing, brain drain and the existing skills gap;

8. Calls for the extension of the Just Transition Fund (JTF) in the programming period post-2027, which should be endowed with additional financial means in order to support regions that are highly dependent on sectors which are undergoing a deep transformation, such as the automotive sector, considering the estimated net employment loss expected to result from the automotive transition; takes the view that this extension of the JTF should be focused on the appropriate nomenclature of territorial units for statistics (NUTS) level, take into account regional specificities, have a wider scope than the present JTF, be designed in such a way as to allow for prompt responses to newly arising challenges across various sectors and industries and be fully integrated in the Common Provisions Regulation based on the principles of partnership, multilevel governance and the place-based approach; calls, furthermore, on Eurostat to estimate the net employment loss in the automotive sector that will result from the green and digital transition;
9. Understands that in order to determine whether a region should be considered to be highly dependent on the automotive industry, the following indicators should be taken into account: the contribution of the automotive industry to regional GDP; the share of automotive products in regional exports; the contribution of the automotive industry to regional employment; and the contribution of the automotive industry to total regional R&D investment;
10. Calls on the Commission to simplify reporting exercises, for example by expanding the 'financing not linked to costs' approach, where appropriate, and by finding a balance between the focus on outcomes and impacts and the focus on expenditure in order to achieve more efficient implementation while maintaining robust monitoring of the use of the funds; considers that the 'simplified cost option' has proved to be a very positive measure and calls on the Commission and managing authorities to expand its application to industrial, green and digital projects;
11. Stresses the need to ensure the fair treatment of micro, small and medium-sized enterprises (MSMEs) and small mid-caps in the distribution of the ESIF by simplifying the administrative steps required to access these funds and by making progress towards full implementation of the 'only once' principle, which means that citizens and businesses are only required to provide certain standard information to the authorities once; furthermore, acknowledges the fundamental role of MSMEs in the industrial transition and stresses

the importance of ensuring their active involvement in projects, and of guaranteeing that they secure adequate financing through mechanisms such as consortiums or alternative instruments;

Building resilient regions: cohesion policy for a greener and digitally fit future

12. Recognises that, despite the fact that digitalisation currently still brings economic benefits to all regions, the digital transition is creating serious difficulties for less developed regions; emphasises the importance of investing in digital infrastructure and building digital skills among the general population and workforce, in order to shift from labour-intensive to capital-intensive technologies and avoid the phenomenon of brain drain; stresses, in this respect, the key role played by local, regional and national educational and research institutions in leading digital innovation hubs, noting the waste of expertise that arises from uncoordinated regional policies;
13. Stresses that significant support is needed in order to assist regions on their path to digitalisation and the delivery of digital targets set in the 2030 policy programme entitled 'Path to the Digital Decade'; considers, in this context, that public-private partnerships are one possible way to support the development of critical skills and improvements to job prospects and the adaptability of labour markets, as well as their performance in terms of productivity and efficiency, making them key factors for a successful digital transition; believes that nobody, regardless of their work sector, their type of contract, gender, age or geographical location should be forgotten on the path to the EU green and digital transition;
14. Notes that manufacturing sectors exposed to global competition, and the regions specialised therein, may face challenges during the green transition, particularly if international competitors benefit from lower energy prices and utilise less renewable energy; stresses that the costs of renewable energy will also play a significant role in these dynamics;
15. Recalls that less developed regions are likely to face a disproportionate impact during the green transition, especially concerning the transport sector's shift to decarbonised solutions; believes that it is necessary to set up specific instruments to support the value chain in the context of the ecological transition for vehicles and, more specifically, the sectors of semiconductors, batteries and components that are necessary for electric motors, autonomous driving, digitalisation and connectivity;

A just transition for the automotive regions

16. Believes that the decarbonisation of road transport, which requires the transformation of the whole value chain of the automotive industry with the phasing out of the combustion engine by 2035,

must follow a well-planned strategy of 'mobility transition' and this strategy must implement the necessary changes across the entire value chain, including in production processes, in order to avoid relocating production outside the EU; underlines, furthermore, that this strategy should ensure a smooth and socially acceptable transition for the workers and companies affected, especially those in less developed regions and regions facing demographic or territorial challenges; takes the view that decarbonised rail and bus transport will play a role in net-zero transport in the future, and should be supported by long-term public planning through the expansion of rail and public transport infrastructure;

17. Considers that this mobility transition strategy should also include a detailed plan for re-skilling and upskilling workers, or, where necessary, provide alternative employment options for people currently employed in the automotive sector; believes that this plan should also contain measures for strengthening the presence of women in this male-dominated sector and promoting the integration of people with disabilities in the workplace; takes the view, furthermore, that this plan should provide incentives and support to ensure that new industrial plants resulting from the transition remain within the regions concerned, guaranteeing their productive benefits and thereby maintaining the spillover effects in those areas; recommends the establishment of sustainable industrial projects that complete the entire supply chains in those territories;
18. Calls on the Commission to put forward the necessary proposal to ensure the continuity of the Just Transition Mechanism and its endowment with sufficient and additional funds to include support for regions that are directly or indirectly dependent on the automotive and parts-supply industries and services, in particular in the relevant Just Transition Fund mainstreamed within the cohesion policy, so that synergies and spillover effects can be promoted with various European funds and programmes to address the regional transformation process;
19. Recalls that local and regional authorities are often largely responsible for implementing policies relating to training and that the territorial dimension of these policies is thus of vital importance; recalls, to this end, the importance of equal administrative capacity and access to funding and information in all EU regions;
20. Considers that the just transition plans for regions dependent on the automotive industry should consistently follow a place-based approach and should be managed by the competent authorities on the basis of the principles of partnership and multilevel governance, and incentivise interregional and cross-border cooperation among regions in transition; emphasises, further, the need to prioritise investments in the necessary transformation of the sector, allowing it to adapt to the new CO₂ emission performance standards, and in

training, re-skilling and upskilling programmes and sustainable economic diversification strategies across the whole value chain to ensure a smooth and inclusive transition for workers and local and regional economies;

21. Recalls that any strategic decisions taken by original equipment manufacturers to shift towards electric mobility, or other technical developments such as autonomous driving, digitalisation and additional safety functions in cars, will inevitably have a trickle-down effect and an impact further down the local and regional value chain;
22. Suggests considering the option of implementing the transition plans using a results-based approach, comprising a group of projects to be carried out by a beneficiary to contribute to the objectives of the plans; considers that in order to simplify and reinforce the results-based orientation, the management could be exclusively based on milestones, outputs and results previously agreed upon between the Commission and the managing authorities; takes the view that control and audit of a transition plan should also be limited to whether it achieves its milestones and targets;
23. Recognises the significance of providing support to all companies in the sectors undergoing the transition, with special emphasis on MSMEs and small mid-caps, which may have limited resources to achieve the necessary transformation; stresses the importance of targeted assistance to help MSMEs and small mid-caps to acquire, upgrade and maintain physical assets and infrastructure, and to invest in research and development; emphasises the need for dedicated funding programmes, capacity-building initiatives, exchange of knowledge and best practices, and technical assistance specifically tailored to the needs of MSMEs and small mid-caps in order to ensure their successful integration and participation in the sector's evolving landscape;
24. Stresses the need to close the R&D investment gap in the EU and reach the target of investing 3 % of EU GDP in R&D;
25. Calls on the Member States to establish an adequate and equitable ecosystem for rolling out electric mobility in accordance with the regulation on the deployment of alternative fuels infrastructure; recalls that certain concepts that work for urban areas are less feasible or not sufficient for rural areas and stresses the importance of providing public alternative fuels infrastructure in rural, island and remote regions and regions with a low population density that are not adequately covered by private providers so as to meet the needs of the resident population and visitors; considers, in this regard, that the price of this publicly provided service should be competitive with the average price of the service offered by private providers; considers that, to this end, a policy and regulatory framework for electric mobility needs to be developed based on an

in-depth analysis of the situation aimed at identifying the main challenges to this policy and opportunities to make it a success;

26. Asks the Commission to enlarge the exchangeEU and TARGET (technical assistance for a green energy transition) programmes to the automotive regions in transition, in order to promote the exchange of experiences and results between regions with economic sectors in decline, such as coal or peat, and regions with transforming sectors such as automotive constructors and suppliers; is convinced that this sharing of experience, along with the implementation of the transition plans supported by ESIF funding, could help automotive and supplier regions to achieve a smooth transition towards climate-neutral activity;

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27. Instructs its President to forward this resolution to the Council, the Commission and the national and regional parliaments of the Member States.