

Keynote Address

"First Results of the consultation on the Green Paper on Territorial Cohesion"

**Commissioner Danuta Hübner
at European Summit of Regions and Cities**

Prague, 6 March 2009

Dear President Van den Brande, Ladies and Gentlemen, Dear Friends,

Let me first thank you for inviting me today for this flagship event of the Committee of the Regions. I am pleased to see so many faces I know because we have been working together. Thank you for this.

As we are just before the Spring European Summit, let me start by sharing a few thoughts with you about the current crisis and how we can recover from it.

We all – European institutions, national governments, regional and local authorities, as well as all partners with whom we work have to solve a number of major problems: some are immediate and some are of a long-term nature. The short term problems - the financial crisis and its economic fall-out - appear overwhelming. We see this every day as bad news continue to trickle in. In this context, the longer term issues such as climate change, the energy challenge, demographic ageing or competitive pressures arising from globalisation might appear less pressing – at least for the moment. But this is a misconception. We must not succumb to the temptation to procrastinate. Closely intertwined markets highlight the need for greater cooperation in many fields, be it financial supervision, a coordinated fiscal stimulus or combating global warming. The current crisis only amplifies many of the world's major challenges which exist with or without the crisis. The current crisis only amplifies the need to restructure our economies.

EU Cohesion Policy has always been an important vehicle to deliver structural change. And this is even more so in these turbulent times. The Commission has reacted quickly to the crisis with the European Economic Recovery Plan. Through Cohesion Policy, we are doing everything to generate additional investment in these difficult times. At the same time we need to uphold the long-term orientation of our regional development strategies. This is where we need you to stay focused.

With the changes we have proposed to the way cohesion policy is carried out, we want to help you with this difficult task by frontloading investments – thus you get an investment stimulus and remain faithful to your long-term goals - by injecting additional liquidity into Member States' economies. To this end, among several other measures we propose additional advance payments of € 6.25 billion in 2009. And I am pushing very hard that this cash actually gets to the regions and cities. I can only encourage you to make full use of the additional possibilities and flexibilities that we offer, through simplification on which we continue to work, and through many measures that make the support for small and medium size companies more effective.

It is in these turbulent times and against this complex background that we plot the future of EU Cohesion Policy. While the debate has only just started, it is gathering momentum. Today, I will present a first digest of the public consultation on the Green Paper on territorial cohesion.

I am pleased to see that as this crisis creates a lot of uncertainties for our citizens, you as their representatives and highly involved stakeholders are ready to search for solutions. This is reflected in the large number of replies to our consultation on the territorial cohesion Green Paper. We received more than 350 replies and they continue to pour in!

Here are a few lines that have emerged from this consultation:

- First, I am pleased to see that most contributions understand territorial cohesion in the way that is closest to my heart: That territorial cohesion is first of all about mobilising development potential, not compensating for handicaps. Regional policy is a development policy and not merely a redistributive tool. I firmly believe that EU policies help most if they help citizens and enterprises unlock the inherent potentials of their territories.

But I am of course aware that geography matters. That is why I have asked my services to prepare a detailed report on regions with geographical specificities.

- Second, many contributions stress that we need to have a better coordination between all policies with territorial impact. They emphasise that territorial cohesion needs to be taken into account upfront when designing policies, and cannot be a tool to repair the damage once it has been done.
- Third, some propose that the General Affairs Council should deal with territorial cohesion aspects when it comes to integrating this dimension into other EU policies. This would strengthen the Council's information basis.
- Fourth, what comes out clearly from the consultation is that our prime objective should be to develop territorial cooperation further. We need more interregional cooperation, we also need enhanced cooperation between the regions within one country. This is the shortest way to strengthen territorial cohesion. And I saw it clearly yesterday during my visit of the Northeast region of the Czech Republic. A large majority stresses this aspect.
- Fifth, we should invest more in linking lagging-behind regions with more prosperous ones. A great number of contributions emphasise that we should strengthen urban-rural co-operation. I am pleased to tell you that my services have launched a series of seminars on this topic.
- Sixth, more than 100 regional and local authorities highlighted that we need a flexible geography. This means we need to be flexible when delineating the territories in which our programmes are implemented. In other words, we need to target the policy at functional areas. We would need for example to sometimes look inside cities – at neighbourhood level – and sometimes beyond the boundaries of the cities – at metropolitan level – and involve decision makers at these levels where needed.

It is also clear in your contributions that the intra-regional dimension of challenges must be taken into account in every future design of the policy.

- And finally, this flexible geography does not stop at national borders. Cooperation across national borders is of clear European added value. Many contributions from Euroregions and macro regions cooperating within transnational programmes emphasise this.

They recall the significant untapped potential that lies within cross-border labour markets or transnational clusters and the barriers still existing in the EU internal market. They point to the importance of further work on implementing EGTC, as well as further enhancing its potential. They also stress that common management of seas or mountain ranges require reinforced cooperation with more commitment from member states and EU.

But we know very well that you do not have to be neighbours to cooperate. Many contributions highlight that interregional cooperation is a remarkable instrument for exchange of experience and best practice – and that we need to reinforce this.

And the Baltic Sea Strategy, which we are preparing at the request of the Council, is of course an intuitive example of what we mean by functional area. Many see this as a test case for territorial cohesion which could be extended to other macro-regions. There is already demand from the Danube area.

We can also think of other initiatives. Why not experimenting on cross-border urban networks (some have already volunteered)? On urban-rural links? We must mobilise all EU tools to capitalize on lessons learnt through experimentation. Networks such as Urbact, Interact, Interreg 4c have also answered to our consultation call and I have no doubt that they are ready to contribute.

So this consultation has allowed to gather a rich array of material. I will be able to offer a more elaborate analysis at the informal ministerial of Marianske Lazne at the end of April, before we publish the full results in the 6th progress report on cohesion in June.

Allow me also to say that when the Commission adopts in June our proposal for a comprehensive Baltic Sea Strategy, the first integrated EU strategy of its kind at the level of a macro-region, I am convinced that this novel approach will prove to be a significant development especially in the interest of territorial cohesion.

Finally, I want to stress that the debate doesn't end here. We will actively pursue the reflection in the second half of the year and beyond, benefitting from the findings of ongoing studies on territories with specific characteristics (islands, mountainous, sparsely populated, outermost regions, ...).

Ultimately, the conclusions of this debate will be fully integrated, possibly after the production of a further intermediate document, into our proposals for cohesion policy post-2013.

And to close, let me thank you all for your very valuable contributions.