

Key Note Address for Commissioner Hübner

"Results of the public debate on the Green Paper on Territorial Cohesion"

Turning Territorial Diversity into Strength

At the Informal ministerial meeting of ministers responsible for regional development

Mariánské Lázně, 24 April 2009

Ministers, ladies and gentlemen,

1. Introduction: the policy process

As you know the debate on territorial cohesion is not new. Some of you might still remember the European Spatial Development Perspective as a first political statement back in 1999. The Territorial Agenda and the Leipzig Charter in 2007 were two more milestones. With the publication of the Green Paper in late 2008, we responded to your request to go a step further in the debate.

The questions that we raised were intended to launch a broad discussion with stakeholders, institutions and interested citizens. The response to the public consultation was impressive, indeed. More than 380 written, often very comprehensive contributions prove that there is great interest in the subject and that territorial cohesion matters.

I would like to use this occasion to thank you for organising debates in your countries and for providing us with your ideas and opinions on territorial issues. I also have to thank the European Parliament, the Committee of the Regions and the Economic and Social Committee for holding plenary discussions and for adopting reports on our Green Paper. You all have enriched this Europe-wide debate enormously.

In all the debates we hear about the need to aim at a definition that would reflect best our common understanding of territorial cohesion. In this context, harmonious and balanced territorial development and polycentric development are often identified with the territorial dimension of cohesion.

My understanding of cohesion implies the need of going down to the citizen level. Wherever they live they should be able to benefit from European integration and the Single Market in particular and to contribute to European integration and development.

But we should go beyond goals and generate conditions for territorial cohesion. The first real challenge is to create mechanisms of translating these goals into concrete policy measures. And the second challenge is to make all three dimensions of cohesion – economic, social and territorial work together, creating synergies, reinforcing each other.

2. Main messages from the consultation - what is territorial cohesion and what do we need it for?

The concept of territorial cohesion has been – in a more or less visible form – at the core of EU Cohesion Policy since its inception in the late 1980ies.

1. Most contributions to the Green Paper understand territorial cohesion in the way I do. And this is already the first main message: Territorial cohesion is above all about mobilising potential, not compensating for geographical handicaps. This is compatible with our approach to the cohesion policy in general – it is not about compensating for the past but about mobilizing potential in the future. So, territorial cohesion reinforces the basic orientation of EU Cohesion policy as a development policy and not a redistributive tool. Territorial cohesion therefore reinforces and complements the economic and social dimensions of cohesion.
2. A second message coming out from the consultation is that we need to introduce a stronger territorial dimension into all relevant public policies at all levels. In concrete terms, the **territorial impact** of public policies needs to be recognised and taken on board already during policy design and not after the damage has been done. We need an ex-ante assessment of the territorial impacts of various policies. This requires more and better **coordination** of policies with territorial impact at all levels of governance - EU, national, regional and between themes.
3. The third message is that geography matters for EU policy. However, it is not geography itself that matters but in terms of the socio-economic situation of all kinds of territories, and not in terms of compensating for geographical handicaps. This is exactly the approach we have taken in developing a strategy for the outermost regions.
4. The fourth message is that there is a need to reinforce **territorial cooperation**. It is a key instrument to foster territorial cohesion and has a strong European value added. This objective has three dimensions: (i) we need stronger interregional cooperation, also within one country. In other words we need to improve connections between regions to foster their integration into the single market and their access to services. (ii) But we should not stop at borders, the challenges and opportunities do not respect borders. A great number of contributions emphasised that we need cooperation across borders to encourage joint "European" actions. In the debate, strengthening cooperation also with our non-EU neighbours has been emphasised. (iii) And finally, we need to invest more in linking lagging-behind regions with more prosperous ones. Urban-rural linkages deserve special attention. Exchange of good practice has been emphasised in most contributions as not yet fully exploited potential.
5. The fifth message from the consultation is that we need to be flexible when delineating the regions in which our policy programmes are implemented. In other words, we need a flexible geography and we need functional areas. Challenges do not stop at administrative borders and need to be addressed at the proper scale.

6. The last message I want to report from the consultation is that we need a more thorough knowledge of territorial diversity – both assets and constraints – and a better understanding of territorial trends and impacts. To this end we need analytical tools. Instruments such as the ESPON 2013 programme are important to analyze and communicate what happens in all territories across the Union.

There is a quest for new indicators (sustainability, accessibility, human development). But there is no need for new allocation criteria in the short run. GDP is robust and tested.

3. Some ideas on territorial cohesion and the future of the policy

I said at the beginning that the challenge now is to see how all these objectives can be incorporated into policy. This brings me to the final part of my speech, to share with you some ideas on what territorial cohesion can add to the future design of cohesion policy. As we are at the stage of reflection on the future policy, three to four questions can be put.

(1) How can we strengthen territorial cooperation and interconnection?

- We can develop "Cooperation Strategic Reference Frameworks" for particular cooperation areas along the lines of the experience of the Baltic Sea Strategy;
- we can make cooperation not only more strategic but also thematically-focussed, especially to foster interconnection activities and to better coordinate national regulations along the borders;
- we can foster pan-European networking programmes on territorial issues and their connection to mainstream Operational Programmes, e.g. further develop the "Regions for Economic Change";
- we can encourage the use of EGTC (European Grouping for Territorial Cooperation) but also foster its further development.

(2) How can we stimulate and strengthen territorial programming and integrated local development?

1. The need for a flexible approach to geography seems to be moving towards functional areas, this is rather obvious. The challenge is how to do it, how to move from cooperation to shared solutions. The Baltic Sea Strategy is one good example. This region shares common problems and therefore needs to find joint solutions. This approach could be useful also for other macro-regions such as the Danube river basin. Metropolitan areas with strong links between urban and rural zones constitute other important examples.
2. In promoting integrated local development initiatives we have achievements to build upon. I am convinced that citizens seek to take local ownership of policy actions on their territory. There are many positive results from the URBAN Community Initiative in disadvantaged city neighbourhoods. Similarly, the LEADER approach could help in better using the territorial potentials of rural areas. Experience from innovative actions and EQUAL can serve also as a

source of know-how. We should provide also more space for experimentation for local stakeholders. It could clearly help to bring Europe closer to our citizens.

3. Investing in institution building for this strand of cohesion policy is also essential. More generally, sustainability of institutional capacity and accountability is important, so that regions and local level can cope with the problems they are facing.

In this context, let me give you two pieces of information. (1) We are launching a series of practical workshops on various aspects of integrated local development, starting after summer. (2) Let me also use the occasion to advertise our newest publication entitled "Promoting sustainable urban development in Europe". It is a useful manual for new Member States which did not have this experience. It is fresh from the press and you are the first ones to receive a copy, you find it in the back of the room. It is striking what has been achieved in the field of integrated urban development over the past 20 years.

(3) How to assure better coherence of country policies with territorial impacts?

- We can reinforce coherence between Community policies by adding a territorial dimension to the existing EU strategic impact assessment procedures for major policy initiatives without increasing the administrative burden;
- we can create through harmonisation of rules and approaches in programming and implementation stronger coherence between European Funds as well as between different tools. For example, we published last year a joint "Practical guide to EU funding opportunities for research, development and innovation" from EU regional policy, the 7th framework programme for research and the CIP.

(4) Territorial analysis

We clearly have to invest more in the knowledge base of territorial diversity and disparities. It is therefore vital to have evidence-based analysis instruments. We already have ESPON, the Urban Audit, and the Urban Atlas. But we need to further invest to create a highly competent observatory for territorial development in the EU.

4. Conclusions

1. To conclude, I just presented a few ideas of what territorial cohesion can mean in the context of the discussion on the future of the policy. Without any doubt, the discussion will continue for quite some time.
2. The Commission will – for the time being – continue to work on the basis of contributions to the Green Paper and the Territorial Agenda process.
3. The wealth of information from the consultation will be summarized in the 6th Progress Report, but certainly some contributions are particularly rich and we will look more closely into them. Some policy options for stronger ties between the concept and our policy will also be published in a separate document later this year.

4. The 6th Progress Report will show the richness of opinions and diversity. We will also present a Commission Communication where we will forward our conclusions.
5. Then we will discuss with the group how to translate it into practice.

We have an enormously rich knowledge to build upon. And we will certainly use it to our advantage when shaping the next generation of EU Cohesion policy.

Thank you for your attention.