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Introductory remarks

Madam President, firstly I would like to thank wholeheartedly Lambert van Nistelrooij, Constanze Krehl, Oldřich Vlasák, Wojciech Roszkowski, Miroslav Mikolášik and Zsolt László Becsey for the opportunity generated for us to have this discussion today. It is a discussion that will certainly contribute to the debate on the future cohesion policy.

We are in the middle of that debate, as you know, and there are many very specific recommendations in your reports, which I will take as important inputs into this debate on the future cohesion policy, while there are also several major messages that cut across all the reports.

The first is that cohesion policy is, and should remain, a central pillar for achieving the European Union's sustainable development goals. That commitment will remain even more relevant in the post-crisis period, when generating green-collar jobs will be the European pass to sustainable employment.

There is also another clear message in all the reports, which is that cohesion policy should cover all the European territory, while the focus of cohesion policy should clearly remain on supporting the catch-up

process of the poorest. I share your view on the importance of delivering European public goods in all regions. The crisis makes that message even more relevant. Many regions are looking these days at new ways and means of adapting to rapid global changes and avoiding the risk of falling behind. By mobilising under-utilised resources and exploiting comparative advantages, cohesion policy aims to ensure that all European regions, be they lagging behind or not, contribute to overall economic growth and change and to the creation of sustainable jobs, and that all citizens can benefit from the internal market.

We also share the conviction that geography matters in Europe, and this is one of the main reasons we launched the Green Paper on territorial cohesion. I am very pleased to see that you understand territorial cohesion in a way that is close to my heart, which is that territorial cohesion is first of all about mobilising the development potential of all the different territories. Regional policy is a development policy that helps citizens and enterprises unlock the inherent potentials of the places in which they live and work.

I agree with you on the need to improve synergies and coordination between all European and national policies with a territorial impact. Here, the challenge is for territorial cohesion to be taken into account upfront when designing policies, and not to be seen as a tool to repair the damage once it has been done. This means, among other things, that we need to invest more in linking the regions that are lagging behind with the more prosperous ones.

Your message is also clear on the need to strengthen the urban-rural relationship. Faced with the present fragmentation of funds, it also means that we need to understand better how to streamline the rules and procedures for all the funds with respect to eligible expenditure,

management, monitoring, reporting and financial management obligations.

There is a need for greater flexibility when delineating the territories in which cohesion policy programmes are designed and implemented. In other words, we need to target the policy at functional areas. We need, for example, to look sometimes inside cities at neighbourhood level, and sometimes beyond the boundaries of the cities, at metropolitan level.

This functional or flexible geography does not stop at national borders, and cooperation across national borders is of clear European added value and importance for citizens. There are still barriers in the European internal market, and significant untapped potential in cross-border labour markets and transnational clusters. The Baltic Sea Strategy, which we are preparing now, is a good example of what we mean by a functional area. I see this as a test case for territorial cohesion, which could then be extended to other macro-regions. We are working on this.

All the reports underline the need for cohesion policy to respond to new challenges such as demography, energy, climate and globalisation. All European regions will be affected by those new challenges, but their impact will vary significantly across Europe, often resulting in losses of competitiveness, employment and social cohesion. This might consolidate existing disparities and create new ones, but these challenges can also be turned into opportunities. To achieve this we need to continue emphasising cohesion policy investment in research and development, and innovation in developing a knowledge-based economy and in promoting entrepreneurship and business support services. These are key factors for boosting the sustainable competitiveness of the European economy and for generating sustainable jobs and growth. They are at the heart of cohesion policy

and have a strong territorial dimension, which requires tailor-made solutions and policy support.

To render the management of cohesion policy programmes more efficient – and this is our common concern – there is a need to reinforce inter-regional exchanges of experience and of good practice. Good governance practice must be disseminated rapidly across Europe. This may help also to overcome difficulties in implementing cohesion programmes. I share your view that we must continue to reform policy delivery.

You call for fostering the effort devoted to so-called ‘financial engineering’ as a means of tapping the potential of the private sector. As you well know, in an important cultural shift, we have decided to complement a traditional ground-based approach with new tools.

Your support for our micro-credit initiative is good news, and I thank you very much for this. I am convinced that developing micro-credit schemes is crucial for the sustainable development and competitiveness of European regions and cities. It requires action to be taken at all levels. We will look into ways and means of reinforcing this instrument in the future.

You call also for a strengthening of the fundamental principles of cohesion policy, such as partnership, multi-level governance and transparency, and I fully endorse that call. By building on local knowledge, by involving all the relevant actors on the ground and by improving the visibility of the European cohesion policy, we will certainly enhance the impact and the quality of European cohesion investment.

Once again, my thanks for your continuous efforts to render cohesion policy more effective and more efficient in the future.

Concluding remarks

Mr President, I saved two minutes from my introductory remarks in order to have more time to respond now to the questions. Whilst I regret that I cannot respond to all the questions, I very much appreciate all the bilateral exchanges we have had over the last years in Brussels or during my visits on the ground in your constituencies. You are welcome to continue this dialogue with us in the Commission. I should like to thank you for this really good and genuine debate today.

We need to fully and wisely exploit the potential of all European and national policies to ensure that the European Union as an economy and a society comes out of the crisis stronger economically, socially and politically, with solid foundations for long-term sustainable development. I feel that today's debate confirms that European cohesion policy must play its role in this process both today and tomorrow. It is our common task today to ensure that the potential of cohesion policy – its capacity to deliver sustainable development and jobs – will be used fully and wisely in this new global context. I am not only thinking of the crisis, but also of all those well-known challenges that we identified years ago as important challenges for European development.

Supporting sustainable competitiveness is the most effective way to achieve cohesion in the European Union. In this context, we must use the cohesion policy to target factors such as access by small and medium-sized enterprises to finance. We must also address issues such as better access to public services that aim to improve employability and productivity and thus contribute to more equal opportunities.

As some of you have stressed, over the last years it has become common sense that addressing the new challenges clearly requires an

integrated and place-based approach – an approach that optimises the use of resources and also mobilises all partners at regional and local level, as well as national and European level, so that we are active at all levels of European governance.

Concerning the partnership principle, I would like to stress that this has been a very important objective from day one of my term in office, and the Commission has invested a lot in making the partnership principle and the cohesion policy a real one – one which is really used on the ground. Soon after the negotiations, we conducted a full assessment of how the partnership principle and the process of designing policy programmes were implemented by the Member States and the regions. We did not want just the formal presence of partnership principles, so we also worked with partners, helping them to build their capacity to be real partners in the policy management system, and we react quite efficiently to any signals we get from the ground that this principle is not being respected in the individual Member States. I have just had a meeting on this very issue with NGOs from one of the central European Member States.

I also fully agree with all of you who say that cohesion policy does not, and must not, work in isolation; that we need to reinforce the synergies and coordination between the cohesion policy and all other sectoral, national or European policies. This is not just to avoid overlap or duplication, but is also about using the synergy that comes from good coordination between the policies. Certainly, the rural development and regional policies are an extreme example of the need to have very good coordination and the use of synergies between policies.

Another example could be competitiveness and the need to take into account the constraints coming from a low-carbon economy and climate

change regarding infrastructure investment. I would like to underline very strongly that we have invested a lot in greening the European cohesion policy. We established the objectives relating to climate change, energy efficiency and renewable energy before the major debate exploded on climate change in the European Union. Today we have one third of cohesion policy funding going directly into green investment in all areas of our life. Recently added to the policy is the additional 4% to be used in the area of housing for energy efficiency and the use of renewable energy that allows us to put more emphasis on this challenge.

What also clearly emerges from the debate is that we need both continuity and reform in policy delivery. On the continuity side, I would very strongly stress that this multiannual programming, financial additionality, shared management and partnership principles represent a great European value that we should continue to care about. But there is also this need for change to strike a better balance between the demands of financial management and control and the tasks of achieving good results and good implementation of the policy. There is no doubt that we need to put in place a simpler, more efficient and more effective implementing mechanism and reduce administrative complexity and the administrative burden.

We have been working with your great support over the last months on this challenge. We already had the first amendment of Article 55 back in December and we will be voting on the main chunk of simplification proposals a week from now. The task force that we set up with Member States for the simplification of the policies is continuing its work, and at the end of May we will have another proposal, hopefully still related to this period.

I agree with you that for the policy to be more effective we also need a stronger focus on results, stronger monitoring and an evaluation culture. We are continuing to work on this. I very much appreciate your support for financial engineering. We are on track, but much more can certainly be done. Please also take note with respect to financial engineering, which is today one of the major instruments helping small and medium-sized companies access credit through JEREMIE and now also through JASMINE for micro-credit, that we started this process long before the crisis hit, so the policy has also been relatively well prepared for these difficult times.

Some of you mentioned the question of transparency. I would just like to remind all of us here that we have new rules for this new period 2007-2013. We have the obligation to inform the public on all the beneficiaries, so we hope that with these transparency obligations we will also see major change with regard to public awareness and the integrity of the whole process.

Very briefly, on culture, because it was raised as an important element, we are fully aware – and I also see it during my travels – that both regions and cities are major actors in the cultural field in Europe. Culture also plays an important economic role in the development of regional development. We have recognised this in the framework of the European cohesion policy. We have many regional and local urban strategies that have successfully integrated culture into our policy.

Let me also inform you that the Commission will soon launch an independent study on the contribution of culture to local and regional development, hopefully to be finalised by the beginning of next year. Through this we will have a better-informed basis for the further inclusion of culture in European policies.

Finally, I very much appreciate all your comments not just on the report, but also what you have presented here as your concerns and ideas for the future. I shall include most of those messages in my orientation paper which I will present to Council at the end of May. We are also completing the independent study by a group of researchers and experts chaired by Professor Fabrizio Barca. This will be presented publicly at the end of April. The final official assessment of the consultation on the green paper on territorial cohesion will be presented in our sixth interim cohesion report which will be adopted by the Commission towards the end of June.