

**European Commissioner for Regional Policy**

**Danuta Hübner**

**Meeting with the ALDE Group for discussion on the future  
of EU cohesion policy**

**EP, Brussels, 27 January 2009, 17:30h-18:30h**

Dear Members of Parliament,

Thank you for your invitation. I have listened carefully to Jean Marie Beaupuy and I have also read your position paper on cohesion policy post-2013 with attention – and let me start by saying that I cannot but agree with most of your conclusions.

Let me use this opportunity to comment some of its proposals:

The reduction of regional disparities must remain the main objective of cohesion policy which shall continue its focus on investing in growth, jobs and competitiveness of lagging regions - and thus foster their catching up.

I share your view that all regions must benefit from cohesion policy. The structural dimension of the current crisis reminds us that all regions are facing the need of responding to emerging global challenges.

The current crisis teaches us also that cohesion policy is a powerful instrument of economic and financial stability - it provides secure financing and it invests into coherent development strategies.

I agree that the role of regions in programming should be strengthened through a better use of multi-level governance. Indeed, the recent report of World Bank Growth Commission stressed the need to tailor growth strategies to local conditions. Cohesion policy was ahead of its time in its commitment to a place based integrated approach, partnership and multilevel governance.

I also agree with you to strengthen the objective of territorial cooperation. The EU adds significant value by dealing with over-the-border interdependencies and promoting cooperation and resource sharing.

EU strategy for the Baltic Sea area is an example of the new approach to territorial co-operation. By addressing development at the macro-region we will test ground for new territorial cooperation objective post 2013. Communication on a Baltic Sea Strategy in will be adopted in April 2009. Other cooperation areas (Danube basin) are interested in launching similar initiatives.

Particularly important in border areas is to facilitate cooperation between different administrative cultures. The new EGTC Regulation is a first – and successful - attempt to do it. We should reflect further on EGTC type approach to cross-border co-operation (i.e. health infrastructure).

There is no doubt that we need to strengthen the links between cohesion policy and sectoral policies through an integrated approach. This allows public authorities to exploit synergies and control for possible conflict between different interventions.

For example, climate change adaptation impacts on economic and social cohesion which requires investments in different fields, from innovation to sustainable transport modes, from education to protection of natural resources, from support of renewable energies and energy efficiency to public awareness raising.

Yet, cohesion policy can address these challenges only working alongside sectoral policies. Hence the need for co-ordination and definition of complementarities between cohesion policy and other Community and national policies. And this is one of the main reasons why we have launched the debate on territorial cohesion back in autumn 2008.

Let me briefly says words on the means for achieving these objectives.

I agree that the simplification of administrative procedures is important. We need to achieve a balance between the rules required to ensure sound financial management, and the risk of undue administrative burden on beneficiaries.

First steps were taken - the European Economic Recovery Package proposed a series of regulatory proposals and non-regulatory measures to simplify the policy implementation.

In addition, we have established a working group (with Member States) on simplification. In the coming months it will make additional proposal for

simplification of the delivery mechanism of cohesion policy. This also comprises proposal for the post 2013.

Your paper also considers the creation of new instruments to develop the leverage effect of cohesion policy. Indeed, for the first time we decided to complement grants with new tools - the JEREMIE, JASPERS, JASMINE and JESSICA initiatives. These instruments help transforming grants into recyclable forms of finance. Thanks to the trust investors have in EU co-financed operations – in particular in crisis times, can also lever in additional private and public investment. We envisage to further develop innovative forms of financing in the future.

You argue on the need to develop new indicators for determining financial support from cohesion policy such as environmental data (CO2 emissions) or access to services. GDP is not a perfect measure - no information on the unused potential of a region, sole focus on income and on one statistical measure of its distribution (the arithmetic mean). But it has the advantage of relying on the most accountable of all national statistics, being understood by everybody and accepted by Member States since 1988.

Still, we need new indicators to better understand territorial dynamics and to generate more knowledge and evidence on the impact of our programmes. We are working on further development of indicators for impact assessment and evaluation of policy. I have asked my services to develop a limited set of core indicators to be applied across all programmes.

Finally, your paper suggests evaluating the merger of the various EU funds. Given the legal basis for these instruments in the Treaty, we should be realistic about the political feasibility of this proposal. But you are right to argue the need to reflect on streamlining the rules and procedures for all the Funds.

Now, a couple of words on where we are in the discussion process which shall lay the foundations for the next programming period.

- The debate started with the publication of the Fourth Cohesion Report in May 2007, which launched a public consultation (Cohesion Forum). Results of this were summarised in the Fifth Progress Report on economic and social cohesion of June 2008 raising a number of interesting conclusions – not least in the overwhelming unanimity in favour of the continuation of cohesion policy, with competitiveness remaining at the heart of the policy.
- A working paper on the challenges facing the regions of Europe "Regions 2020" was presented in December 2008. This provides a first prospective analysis of the likely regional impact of four of the biggest challenges facing Europe: globalisation, demographic trends, climate change, and energy use and supply. The report concludes that the European policy framework must be adapted to help regions meet the challenges of 2020, and that all regions will need to find local solutions, tailored to meet the combination of challenges which they face.
- Alongside this, the Commission has substantially reinforced its analytical capacity and its contacts with academics and international organisations, to support this preparatory work on the future of the policy. It is undertaking a wide-ranging ex-post evaluation of the 2000-2006.
- It has also launched a series of publications on regional policy and methodological issues. Work is underway with the OECD on place-based policies and with the World Bank on challenges for Europe and its neighbourhood.

## NEXT STEPS

The Commission will demonstrate impact and results of cohesion policy through the presentation (publication) of ex-post evaluation of 2000-2006 interventions.

We will continue our analytical work on the future policy and the coming steps are as follows:

- Barca report – end of March 2009,

- International Conference on the future of cohesion policy and territorial cohesion (Prague, 26/27 March 2009) which will be dedicated to the lessons learnt from the past (2000-2006) and discussion of future cohesion policy as well as to urban/rural linkages (territorial agenda).
- Orientation paper – to be discussed at the informal Ministerial Council in Mariánské Lázně, on 23-24 April.
- Sixth progress report – June 2009 (two parts – one analytical on regional creativity and innovation, one on results of public consultations on Green Paper on Territorial Cohesion).
- Discussion on territorial cohesion - Green Paper (September 2009) was followed by public consultations, the initial results of which will be presented to the European Summit of Regions and Cities, organised by the Committee of Regions in Prague, on 5-6 March. Final results will be presented in the 6<sup>th</sup> Progress report.
- The continuation of the reflection on regional dimension of global challenges and their impact on post 2013 policy (following on the report "Regions 2020")

In April 2009 the Commission will present a proposal for a Baltic Sea strategy (communication). The strategy will not only provide a basis for stakeholders around the Baltic Sea to agree on common development priorities, but also and most importantly to provide a test for reconsidering the future architecture of territorial cooperation and other related aspects of Cohesion policy.

The Commission will also follow up on the Communication on the Outermost Regions, adopted last October. During 2010 we propose the gathering of a "Forum of the Outermost Europe".

In spring 2009 the Commission will adopt a Communication to take stock of the first five years of implementation of the EU Solidarity Fund and to identify ways of further improving the instrument.

In the Commission we will continue work on the international dimension of the policy (follow up to China, MoU with Ukraine, Eastern Partnership, May

conference with FOGAR on regions and globalisation, 2 MEUR allocated to this purpose for 2009 by EP) with a view of further developing this policy strand after 2013.

Finally, the Commission will identify possibilities for further simplification not only in 2007-2013 but also with a view to implement them after 2013 (simplification group with Member States, study on administrative costs etc).

Thank you for your attention.