

Speech of Professor Danuta HÜBNER
EU Commissioner for Regional Policy

"Europe's territorial cohesion – state of play"

at the Conference of German Ministers responsible for spatial planning
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Sehr geehrte Damen und Herren!

Zunächst möchte ich mich für Ihre freundliche Einladung zur Ministerkonferenz für Raumordnung bedanken. Ich freue mich, heute mit Ihnen über die Herausforderungen für die europäischen Regionen zu diskutieren. Hier spielen die deutschen Bundesländer mit ihren vielfältigen Erfahrungen eine wichtige Rolle.

Erlauben Sie mir, dass ich auf Englisch fortfahre.

I would like to take this opportunity to share with you my views on Europe's territorial cohesion. First of all, I would like to recall the importance of the territorial dimension for Europe's competitiveness. Secondly, I will say a few words about the progress on territorial cohesion at European level. Finally, I will inform you about the place of territorial cooperation in our new regional policy programmes for 2007-2013 including our programmes dedicated to analytical work and networks.

Why territories matter for Europe's competitiveness

Many of us would agree that over the last decade Europe has been rather slow to adjust to an unprecedented pace of economic change due to globalisation, the impact of new technologies, the development of the knowledge economy and to the challenge of an ageing population. Only recently we have achieved more growth, we have started to catch up in innovation. We are also witnesses to a new phenomenon which is the increase in public spending by European local and regional governments. Between 2000 and 2005 it increased at a rate of 3,6% per year, more rapidly than GDP (1,7%) or total public spending (2,4%). As a result the share of local and regional level in total public spending grew in the EU from 25,4 to 26,8%. This of course varies strategy across the EU. It also proves that sub-national public authorities have been increasingly involved in shaping our response to emerging challenges.

No doubt effective response to globalisation is impossible without the involvement of sub-national economic, social and political strategies and European renewal cannot come only through a top-down approach. If innovation is to become the true driver for growth and jobs we must engage and exploit the local and regional potential of knowledge and cooperation. Only by harnessing the potentials of Europe's territories, its 268 regions, its cities, its rural and metropolitan areas, we will be able to make the Union more competitive and to generate growth and sustainable jobs.

All European institutions have therefore supported the Commission's proposal to take the Lisbon agenda down to regions, cities and rural areas. In fact, the EU's regional policy is designed in such a way that we are taking Europe down to its territories, involving people in the design and implementation of development strategies and projects for their region or city. European regional policy is a method of implementing policies through decentralisation and empowerment of

citizens, a method of working in partnerships between European, national, regional and local actors. People can easily see the concrete benefits of this policy in their region and in everyday life.

The need to have a closer look at the role of Europe's territories in the development policy also emerges from the recent enlargement which has significantly increased territorial disparities in the Union. This need comes also from the fact that across Europe we see economic growth and job creation concentrated in some areas whereas others are experiencing severe problems of depopulation and economic decline. The connectivity to the major networks and thus to the European market continues to be unbalanced. These are few examples of development challenges which require a strengthening of the territorial dimension in our policies.

We must invest more in the quality of new forms of multilevel governance based on partnerships whose legitimacy comes from shared responsibility and shared ownership. As the European reality is being increasingly created on the ground, we must draw on the capacities of all those on the ground able and willing to get involved in creating public value and employing their expertise where it is most appropriate.

I am therefore very pleased that the Constitutional Treaty strengthens the role of local and regional governance. through rules such as recognition of local and regional self-government (Article I-5), extension of subsidiarity to local and regional government (Article I-11), extension of the concept of cohesion to include territorial dimension (Articles I-3 and III-220) shall be preserved. If ratified, the new Treaty will reinforce the territorial dimension of European policy and the role of local and regional authorities.

Let me now turn to my second point: **what is the progress on territorial matters at European level?**

Since the adoption of the European Spatial Development Perspective at the Potsdam Council in May 1999 (ESDP, you call it EUREK), the notion of territorial cohesion has become over the years a key dimension of EU regional policy.

In November 2004 in Rotterdam, EU Ministers in charge of Spatial Planning agreed upon introducing the territorial dimension into the Lisbon Process. They launched the works for preparing a Territorial Agenda, aiming at presenting the challenges, objectives and policy recommendations for territorial cohesion.

Under the UK Presidency in Bristol in December 2005, EU Ministers discussed ways of developing an integrated and balanced approach to creating sustainable communities. They endorsed the "Bristol Accord" - eight characteristics of a sustainable community, and committed themselves to share good practice case studies. The Austrian Presidency organised in Baden in June 2006 a seminar on the governance of territorial strategies in view of the new generation of regional policy programmes 2007-2013.

The next important step is planned in Leipzig in May 2007 where Ministers will approve this Territorial Agenda policy document. I very much welcome the initiative of Minister Tiefensee to organise an informal Ministerial meeting on territorial cohesion and urban policy in Leipzig. The meeting will address key questions related to achieving more balanced territorial development in Europe, while recognising the specificities of different kinds of territories. These issues have been also taken up in the Community Strategic Guidelines for Cohesion 2007-2013 which the Council adopted last October.

The Guidelines set the framework for the new generation of regional policy programmes. They encourage Member States and regions to integrate the territorial dimension into their programming documents. In Leipzig, I will present an analysis on how the territorial dimension, including the urban dimension, is being taken into account in the national and regional development strategies.

In the context of the follow-up to the Leipzig Conference, I also intend to draw up an inventory of territorial approaching policies and programmes operating in the Member States. The inventory will be based on a questionnaire which I will transmit to the Ministers of the 27 Member States shortly. The aim of this exercise is to make the concept of territorial cohesion more concrete and operational. On the basis of the replies from Members States, my services will prepare a synthesis.

These contributions of the Commission, together with the Territorial Agenda, the conclusions of the Ministers at the meeting in Leipzig will help us to carry forward the work on territorial cohesion under the Portuguese and Slovenian Presidencies. In fact, the upcoming Portuguese presidency plans to organise an informal meeting of ministers of spatial planning and urban affairs in Lisbon in December 2007 which will be dedicated to the implementation of the Territorial Agenda.

Let me now turn to the promotion of **territorial cooperation in our new regional policy programmes 2007-2013 (Objective 3), including analytical work and networks.**

Territorial cooperation is very important in particular in the context of the emergence of new internal and external borders. In the period 2007-2013, territorial cooperation has reached the status of "Objective" in contrast to its role as a "Community Initiative" for the past 15 years. This is an important political signal, placing cooperation on the same level as the Convergence and Competitiveness objectives. This is also reflected by the Union's cooperation budget which has been increased by 50% as compared to the current period (EUR 9 billion in current prices).

The new European Territorial Co-operation objective will strengthen cross-border co-operation through joint local and regional initiatives, trans-national co-operation aiming at integrated territorial development in line with the recommendations of the European Spatial Development Perspective, and interregional co-operation and exchange of experience. Germany will be one of its major beneficiaries receiving roughly EUR 851 million (current prices) over the next seven years.

The new regulations provide for a concentration of the new cooperation programmes on themes closely linked to the Lisbon and Gothenburg Agendas in order to increase the competitiveness of the European territory: innovation and entrepreneurship, environment, improved accessibility, and sustainable urban development.

My assessment of the preparation of the new cooperation programmes is rather positive. We have officially received six out of total of 70 cooperation programmes and we have discussed informal drafts with most programme partners. This will allow a much quicker approval of the programmes compared to the past.

In order to facilitate all forms of territorial cooperation, and in response to the demands which were also put forward by the German Länder, we have created a new instrument – the European Grouping of Territorial Co-operation (EGTC). The EGTC offers regional and local authorities the option of creating a grouping with legal personality thus eliminating the problems due to the existence of two legal systems on two sides of the border. I am very happy that partners of the "Grande Région" (BE/LU/FR/Saarland and RheinlandPfalz) have already made a political commitment to create an EGTC to manage their cross-border programme from 2009-2010.

Let me now raise a few points related to our analytical work in the context of the European Spatial Planning Observation Network (ESPON).

Thanks to the ESPON research programme we have accumulated considerable knowledge on territorial challenges, trends and disparities in the enlarged EU. The new ESPON Programme 2007-2013 shall become an even more important tool for policy makers dealing with territorial development at the European, national or regional level. It will provide analytical information on long-term territorial evolutions and perspectives. It will establish a solid and consistent set of key indicators on territorial cohesion, on the one hand, and analyse the territorial impact of policies, on the other. This will allow us to improve consistency between regional and sectoral policies.

Finally, we want ESPON to establish closer links with national and regional spatial observatories as well as with other networks such as the one for cities (URBACT) or the newly created INSPIRE initiative (Infrastructure for Spatial Information in the European Community). For all these reasons, the Commission has decided to increase considerably ESPON budget. The

Community's contribution will almost be 5 times higher than today with a budget of 34 million EUR instead of 7.2 million EUR.

Let me finally turn your attention to our new initiative to promote best practices in economic modernisation or regional innovation which is called "Regions for Economic Change". This initiative aims to draw on the experience and best practice of high performing regions and to transfer this to regions wishing to improve. Moreover it aims to link this exchange of best practice more solidly to the implementation of our new Convergence and Competitiveness Programmes. We want to make sure that bright ideas emanating from regional and urban networks find their way into the new programmes, with their total budget of € 350 billion for 2007-2013. "Regions for Economic Change" has been developed in response to this need.

On the basis of discussions with Member States, the European Parliament and the Committee of the Regions, we are currently working on how best to ensure a bottom-up approach for the identification of regions and cities.

Until the new generation of programmes is approved in September, we will work with the two existing networks set up under the INTERREG III C initiative in the areas of bringing innovative ideas more quickly to the market and of sustainable urban development. In the weeks to come we will examine with the members of these networks how they can share their experience with a broader range of regions and cities, and how this experience can be most effectively transferred into our Objective 1 and 2 programmes.

With the new programmes in September, we will extend the number of networks to additional themes related to economic modernisation. At our first Annual Conference of the Regions for Economic Change initiative in March in Brussels

we will focus on the issue of fostering competitiveness through innovative technologies, products and healthy communities, and we will launch the first set of RegioStar awards.

I would like to ask you to ensure the best possible use of this initiative by the German cities and regions.

To conclude, I am confident that with an increased emphasis on territorial cooperation, with the new Territorial Agenda a reinforced ESPON Programme and our new Regions for Economic Change initiative, the Community will make a significant contribution to developing innovative actions and cooperation arrangements between European regions and cities. We will thus further promote territorial cohesion throughout Europe.

Thank you very much for your attention.