

SPEECH OF COMMISSIONER DANUTA HÜBNER

"COHESION POLICY 2007-2013: SUPPORTING THE COMPETITIVENESS OF MOUNTAIN AREAS"

5TH EUROPEAN MOUNTAIN CONVENTION

(CHAVES , PORTUGAL, 15 SEPTEMBER 2006)

KEY MESSAGES

The new cohesion policy for 2007-2013 will, among other things, seek improvements in two fields of importance for Europe's mountain areas: the reinforcement of territorial cohesion and the deepening of partnership arrangements. The Commission will make every effort to ensure that Member States and regions set ambitious targets in these fields.

Territorial cohesion is about promoting a more balanced development of Europe's territory, taking into account the diversity of problems and opportunities faced by different areas.

The mountain areas represent a classic example. Geography, climate and demography combine to present a particular set of challenges and opportunities to the Union's efforts to promote balanced development. The challenges and opportunities are not always the same and we need to treat each mountain area according to circumstances.

We need to use the new programmes to achieve measurable results in terms of economic regeneration and economic diversification, using all the resources available at national and regional level as well as at Community level.

Dear Ministers,

Ladies and gentlemen,

It is not only a great pleasure for me to be here today but it is also very important for me to be here with you in this important moment of preparing for the new generation of European regional policy in the beautiful region of Alto Tras-os-Montes with representatives of the European mountain community and to have the opportunity to speak to you about the new European cohesion policy and the mountain areas.

You will know that Council and European Parliament have recently adopted the legal and financial framework for our policy for the next seven years. We managed to maintain the principle that the policy should concern the promotion of growth and jobs across the whole of the Union's territory, rather than just representing a kind of development aid for the poorest. And related to that, we emerged with a significant package of resources in spite of the difficult economic and budgetary climate in many Member States.

The new cohesion policy for 2007-2013 will, among other things, seek improvements in two fields of importance for Europe's mountain areas: the reinforcement of territorial cohesion and the deepening of partnership arrangements. As the Commission we are deeply committed to make every effort to ensure that Member States and regions set ambitious targets in these fields, as this is already reflected

in our stance in the negotiations on the National Strategic Reference Frameworks.

In my remarks I would like to focus on where we go from here and what needs to be done as we look forward to the new period of regional policy.

WHAT ROLE FOR TERRITORIAL COHESION IN 2007-2013?

You might know that when working on the new European Constitution sets out that one of the objectives of the Union is to promote economic, social and territorial cohesion (article I.3). Although the Constitution has not been ratified, this provision has provided an added impetus to the concept of territorial cohesion.

The concept of territorial cohesion is still an open concept on which we should debate. It is about a more balanced development across Europe's territory, to build sustainable communities in urban and rural areas and to seek greater consistency with sectoral policies having a spatial impact.

The territorial dimension is for us a cross-cutting element of the cohesion policy. We feel we should ensure that all of Europe's territory has the opportunity to contribute to the growth and jobs agenda. We have the right to benefit but also to contribute to our common European agenda for a better future.

For the same reason, we should go further in the future in order to introduce the territorial cohesion principle in other EU policies. If we want to pursue a sustainable development strategy for European territory, we cannot ignore the impact that policies in fields such as transport, the environment and agriculture have on our territories.

Territorial cohesion is also - in contrast to sectoral policies - about taking into account the diversity of problems and opportunities faced by different areas. This is why this policy requires a vision that goes beyond traditional regional boundaries: mountain ranges, for example, do not coincide with the administratively defined region.

HOW TO PROMOTE MOUNTAIN AREAS IN THE NEW COHESION POLICY?

You know it better than I do that in the mountain areas, geography, climate and demography combine to present a particular set of challenges and opportunities to our efforts to promote balanced development. The challenges and opportunities are not everywhere the same but there are common challenges and lessons. There is no one-size fits-all for mountain areas, nor for any other type of area.

Many studies have been carried out and confirm what you yourselves know only too well. In mountain areas, lack of easy physical access is compounded by the fact that populations are small and spread over relatively large areas. Consequently, residents in mountain areas often have to travel far to access basic services such as in education or health.

In Europe many mountain areas have built much of their prosperity and identity on agriculture and forestry. Since production is often small-scale, and because producers have an interest in the long-term, it is generally very sensitive to the need to preserve unique ecosystems.

In some mountain regions, both productivity and employment are at low levels and there is little evidence of catching up with the EU average in either case. A study in the Fifteen member States before enlargement revealed that the level of productivity in the rural and mountainous area in the poorest Member States can be as low as 60% of the EU average, and if anything the gaps were widening, rather than closing. I know you could add to this list many other items.

That is why in the new cohesion policy for 2007-2013 we wanted to create the basis for further progress in promoting territorial cohesion and for improving the quality of life of our citizens in mountain areas:

- For the first time in the history of our policy our regulations emphasise the need to support territories suffering from natural handicaps, such as mountain areas.
- Second, the regulations focus on a limited number of thematic priorities for Structural Funds intervention which contribute to balanced development and which are of particular relevance to mountain areas. I am thinking of transport and telecommunication services of general economic interest, with a view to improving their availability for all EU citizens wherever they live or work, covering the 'grey zones' deprived of new

Information & Communication Technology, fostering the development of research and innovation poles, or preventing natural risks in the exposed areas.

- Third, under the “Regional competitiveness and employment” objective, we have given Member States the possibility to grant higher financial assistance from EU funds to mountainous areas (Article 52 of the General Regulation).
- Fourth, under the cross-border strand of the new European Territorial Cooperation objective, the ERDF will focus its assistance, among others, on reducing isolation through improved accessibility. Many mountainous areas can benefit from this provision due to their remote location along national borders. To assist programme partners with the implementation of our cooperation programmes, we have created a new instrument – the European Grouping of Territorial Co-operation (EGTC). The EGTC is a radical step forward in the implementation possibilities for co-operation. It offers regional and local authorities the option of creating a cross-border grouping with legal personality.
- Finally, promoting networking and mutual learning between different actors dealing with mountain development is crucial to understanding better the specific situation, challenges and opportunities in the European mountain regions. We will therefore strengthen cooperation and the exchange of

experience. This will give you the possibility to discover and quickly spread best practice in economic modernisation among mountain areas of the Union.

PREPARING FOR 2007-2013: HOW TO PURSUE AN INTEGRATED APPROACH TO TERRITORIAL COHESION?

The next round of cohesion programmes will be more strategic in nature. This will allow us to better integrate local, regional, national and Community strategies. We intend to concentrate the financial resources available on the renewed Lisbon strategy for growth and jobs. In fact, it was on this basis that the Member States - especially the net payers - were able to sign up to the Commission's proposals for the next period.

The first stage in this process is the adoption of Community Strategic Guidelines for Cohesion by the Council, that is, by the Member States themselves based on a proposal from the Commission. Adoption by the Council is expected at the beginning of October. As you know, this is an act of confirmation, in the sense that the Commission's draft of the Guidelines have existed since last year. Many of you have submitted comments on the Guidelines during last year's public consultation. Following your comments we have strengthened the chapter on the territorial dimension of cohesion policy in the Guidelines.

The Guidelines are calling on the new cohesion programmes to support the economic regeneration and diversification of rural areas and areas with natural handicaps such as mountains, complementing the actions of the new European Agricultural Fund for Rural Development (EAFRD).

Investments co-financed by the Union should focus on improving access to services of general economic interest, product marketing, process and product innovation, investing in development poles and developing economic clusters, as well as an integrated approach on tourism.

Cohesion policy can play here a crucial role as it is the privileged meeting point between the Lisbon and Gothenburg agenda (reflected in the National Reform Programmes) and the national and regional priorities (translated into the National Strategic Reference Frameworks under preparation). The new regulations provide the basis for such a joined-up approach.

TERRITORIAL COHESION IN THE NSRFs: WHAT ARE THE EARLY RESULTS?

Let me then turn now to the ongoing negotiations on draft National Strategic Reference Frameworks (NSRF). Some preliminary observations from the drafts of NSRF received by the Commission suggest that:

- As regards partnership, there are encouraging signs of an inclusive approach often including the socio-economic stakeholders and public consultation. But there are also unfortunately cases of a very limited partnership excluding some of the partners - for example key NGO representatives - whose participation in our view is important throughout the whole process of negotiation and implementation.
- Balanced territorial development or sustainable development is an explicit objective in eleven NSRFs so far received by the Commission. Overall, this aspect is somewhat underdeveloped at this stage. There are of course notable exceptions such as Austria. In the Austrian draft NSRF and in at least five draft OPs special attention is paid to mountainous areas and the need to better connect the centre with the periphery.

There is still time to reinforce the territorial dimension of the NSRF and I am sure that I can count on you to encourage your national and regional authorities to take this up.

With my services, I have asked national and regional authorities to consider improvements, highlighting two main areas:

- First, more thought could be given on how to reinforce the link made between thematic priorities such as innovation, or accessibility and specific territories such as rural, remote or marginalised areas and others suffering from geographical handicaps. Addressing such a link in the NSRF documents

could provide a way of addressing issues of territorial balance, compensation of specific territorial constraints and establishing a clearer relationship between the competitiveness and territorial cohesion objectives as complementary actions.

- Second, it is important to develop a strategic vision for the Member States as a whole in the NSRF. The Operational Programmes which will be negotiated and adopted in early 2007 will only address the question of territorial imbalance at regional level. Consequently, they will leave aside the issue of territorial imbalance between regions. Territorial coherence at national level must therefore be ensured within the NSRF before tackling the regional or sub-regional imbalances.

WHAT ARE THE NEXT STEPS?

Let me conclude with a few words on the two major challenges we have ahead:

The most immediate one is the ongoing negotiation of the National Strategic Reference Frameworks and the preparation of the cohesion programmes for 2007-2013. In that sense, this Convention takes place at a crucial moment as we are now entering the important phase in our preparations for 2007-2013.

The NSRF represent a key opportunity for promoting development models respecting the need for greater territorial balance.

As I mentioned before, there is still a chance to strengthen the territorial dimension of the NSRF. You have the opportunity to influence choices and to ensure that mountain areas are taken into consideration in the new programmes. I count on your support!

The preparation of the NSRF is a valuable process of learning, it is not only the final product, the NSRF, that is important, the process of preparing is equally important. Its value added lies in its communication dimension and in the dialogue between all involved.

Cohesion policy 2007-2013 must not be "mountain regions blind" and it will not.

But I am convinced that it is not enough today to achieve spatial justice through our policy, it is not enough to achieve spatial integration. The real challenge is to maximise endogenous potential of mountain regions to improve their economic competitiveness, their contribution to change in Europe.

Together, we also need to ensure that the programmes promote quality. The programmes must be ambitious, clearly focused on the Lisbon agenda, and capable of delivering measurable results in terms of economic regeneration and economic diversification, using all the resources available at national and regional level as well as at Community level.

I am counting on you and those responsible for the delivery of cohesion programmes in the regions to provide the proof that our

programmes will make a difference to the lives of our citizens living in widely different circumstances across Europe's territory.

Thank you for your attention.