



Highlands and Islands European Partnership

'Working together in Europe – on behalf of the Highlands and Islands of Scotland'

**Highlands and Islands European Partnership
Response to the Consultation on
The Future “EU 2020” Strategy**

15 January 2010



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I. Introduction

The Highlands & Islands European Partnership (HIEP) is a partnership between the key public agencies in the Highlands and Islands involved in the economic development of the Highlands and Islands of Scotland and the delivery of the Structural Funds Programmes. It is made up of the 7 local authorities within the Highlands and Islands, the UHI Millennium Institute (our future university) and Highlands and Islands Enterprise¹.

The Highlands and Islands of Scotland is an area of significant economic potential, particularly in sectors such as energy, food & drink, tourism and life sciences. However, such potential has to be developed in an area characterised by a number of socio-economic features combining peripherality, sparsity of population, insularity, a mountain terrain, a narrow economic base, relatively low wages, out-migration of young people, isolated communities and limited opportunities to diversify the economic base.

The Highlands and Islands of Scotland European Partnership welcomes this Consultation paper and the opportunity to make a contribution. We believe that this consultation is very timely and that it is of paramount importance to give serious consideration to the replacement of the Lisbon strategy and to make sure that areas-regions like ours have the opportunity to contribute to its development. We therefore feel that a consultation paper with such far-reaching consequences and of such strategic importance for the future development of the EU and which addresses all European stakeholders deserved to have a longer consultation period~~We therefore feel that the consultation period was too short and that more time should be devoted to such a far-reaching debate.~~

We understand the need for Europe to have a common agenda in order to come out of the current economic crisis but believe that the successor to the Lisbon strategy **should be more than just an exit strategy or a revisited version of the current Lisbon one** and that it should be **a comprehensive forward-looking strategy for the EU integrating not just the EU economic priorities but also social, environmental objectives as well as the Territorial Cohesion.**

We are concerned that the EU 2020 strategy will replace one top-down strategy with another without adequate evaluation of the achievements and reasons for success and failure in the Lisbon Strategy. Whilst we would support the vision presented in this working document, we consider that the strategy lacks an adequate presentation of the rationale behind it which is necessary if this strategy is to be acted upon by stakeholders and last for 10 years. In addition to evaluating the Lisbon Strategy, EU 2020 would benefit from more illustration of what the positioning of a "green economy" as a central aim means in practical terms as this is a fundamental policy development.

¹ The HIEP Partners are as follows: Argyll and Bute Council, Comhairle nan Eilean Siar (, The Highland Council, Highlands and Islands Enterprise, North Ayrshire Council, Moray Council, Orkney Islands Council, Shetland Islands Council and the UHI Millennium Institute.



Highlands and Islands European Partnership

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II. Preparatory Analyses

We believe that the development of a new vision for Europe needs to be prepared by an analysis of two elements: the failure of the Lisbon strategy, and of the model that has led to the current crisis.

Failure of the Lisbon strategy - We feel that the lack of success with the Lisbon strategy is largely due to the insufficient involvement of sub-national actors in its design and implementation.

In the Highlands & Islands of Scotland the Lisbon strategy has failed to stimulate the desired rate of change. We are convinced that this failure is due to the lack of recognition of our local circumstances and involvement of key local actors. It clearly does not work to make local strategies fit criteria that do not suit local and regional key needs. Before being able to become competitive and knowledge-based areas with more and better jobs, peripheral, rural and sparsely populated areas like ours need basic needs to be catered for as this is the prerequisite for unlocking our potential. We need more investment into road/transport, digital and energy in infrastructure, and feel that this is not commonly understood.

We recognise that Lisbon under-achieved in R&D expenditure, in support and funding mechanisms for innovation and in unhelpful public procurement and single market barriers. We also support the view that Lisbon failed to deal with major causes of low achievement including lack of local involvement and developing effective regional human capacity for integrated delivery of innovation and growth support and facilitation.

The regional dimension needs to be an integral part ~~and parcel~~ of the future strategy through an efficient multi-level governance system with a formal consultation and flexibility to take account of local circumstances.

An understanding of the causes of our crisis – We agree that the future strategy needs to build on a good analysis of the future constraints of policy makers and challenges to be tackled, but in addition, the EU must find ways of avoiding the same trap and therefore any future model must be backed by an understanding of the weaknesses of our European economic model and focus on core achievable priorities for the next period.

III. A Single Overarching Strategy

We see the need for developing a new strategy and support the EU 2020 vision presented in the paper of a more inclusive, more sustainable, greener, and strong knowledge-based society able to ensure **economic, social, environmental and territorial cohesion**. We agree with the three key priorities proposed by the paper: i) creating value by basing growth on knowledge; ii) empowering people in inclusive societies and iii) creating a competitive, connected and greener economy. We are in favour of a single, overarching strategy focusing on EU core priorities bringing together different policy areas in a cohesive way that should be developed on the basis of an efficient multi-level governance system.

The EU 2020 strategy should concentrate on the following:

- 1 Developing public administration at all levels capable of lending practical and co-ordinated support for innovation for both economic development and social well-being. This should include the



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scrapping of the separate vertical administration within the European commission to permit regional horizontal co-ordination.

- 2 Proposing regional level implementation as a means of promoting delivery of integrated action adapted to local needs and strengths. In order to deliver cohesion these regional delivery mechanisms will need to be responsible for ensuring that individual places can receive the optimum support to achieve overall goals within limited resources.

IV. Further details

While we support the vision presented in this working document, we feel that the paper is too vague on many aspects and would welcome certain elements to be elaborated:

1. The Rationale for The Strategy

There is a need to describe the rationale for the Strategy in much more holistic terms if it is to be a robust Strategy to tackle many of Europe's challenges over the next 10 years.

2. Links with the Territorial Agenda and Budget

We would like to see a clear link established between the EU 2020 strategy and Territorial Cohesion, as well as with the budget. **The new Territorial Cohesion dimension needs to be fully integrated into the future strategy and the budget needs to be sufficient to deliver the priorities.** We call for any action from the EU aimed at implementing the EU2020 strategy to take account of ~~this the~~ principle of Territorial Cohesion and of territorial specificities as defined by **Article 174 of the Treaty**.

3. Multi-level Governance

We feel that a system of multi-level governance needs to be presented in more detail, including the identification of key players and stakeholders. In this respect, we ~~support-welcome~~ a bigger role for the European Parliament in the new governance structure. We would also like regional and local authorities to have a bigger role to play in the development of the strategy. This can only be achieved by a governance system that automatically associates them in the design and implementation of the strategy. Identification of key local and regional actors and details of the mechanism to associate them need to be provided.

4. Delivery Mechanisms

The multi-level governance system must be translated into compatible delivery mechanisms. Whereas we support the key priorities we see the danger of sectoralisation of EU intervention in the proposal for thematic priorities and ~~remain-very-would be~~ cautious ~~with-regard-to-the-implementation-of-for~~ the ~~future-EU 2020~~ Sstrategy to proceed on this basis.

In addition, details of monitoring and evaluation mechanisms need to be proposed with indicators of "what success will be like" to enable the assessment of performance while moving away from unnecessary bureaucracy. It is clear from previous and current programming periods, be it with Structural Funds, Rural Development or Fisheries programmes, that delivery mechanisms need to be genuinely simplified and adapted. While regional and local authorities are responsible for implementing the EU priorities and programmes, they are submitted to burdensome administrative procedures that lack the flexibility and sometimes work against original strategic objectives.



Highlands and Islands European Partnership

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This said, it is important to emphasise the contribution of policies such as regional and rural development policies to Europe's development, to the Lisbon and Gothenburg agendas and their leverage effect as well as the implementation role of local and regional authorities. Their contribution cannot be underestimated. We are against their renationalisation and in favour of their meaningful simplification and adaptation under an overarching strategy.



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In conclusion we welcome the consultation on the EU 2020 Strategy and the opportunity to input into the future shape of the Strategy . We will welcome further details and await the Commission proposal with great interest.

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