CEMR Response

to the Public Consultation on the future of EU Cohesion Policy:
Growing Regions, growing Europe

Brussels, January 2008
Key Points of CEMR’s response

1. The challenges to be faced in the future affect not only the regions lagging behind but all regions in the EU.

2. The future cohesion policy should support all local and regional authorities, in order to foster development and territorial potential of all EU’s localities.

3. Any future EU cohesion policy should be based on the principles of subsidiarity and territorial solidarity and aim to achieve economic, social and territorial cohesion across the whole European Union.

4. The cohesion policy should include at its heart the principal objectives formulated by the Lisbon and Gothenburg agendas as key guidelines.

5. Further thought and discussion is needed on how to allocate the limited resources.

6. A wider set of criteria should be considered beyond the traditional GDP/GNI-based indicators used so far.

7. CEMR welcomes the increased focus on territorial aspects as the third pillar of European convergence, together with economic and social issues.

8. Within the future debate, it is necessary to take into account the territorial impact of all EU sectoral policies.

9. We also emphasise the importance of urban development issues and of focusing towards the urban-rural interface.

10. It is especially necessary to achieve more complementarity between the regional and the rural development programmes, where, in future, rural development might become an integral part of a coherent territorial cohesion policy.

11. The principle of partnership should be emphasised and more responsibilities could be allocated to local and regional authorities.

12. However, we would strongly reject any tendencies on a “re-nationalisation” of the cohesion policy to the member states.
Introduction

1. The Council of European Municipalities and Regions (CEMR) welcomes the European Commission’s public consultation on the future of EU Cohesion Policy, reaffirms its strong support and underlines the need for a continuing, ambitious and comprehensive pan-European cohesion policy.

2. CEMR has already noted with concern in the response to the Commission’s 4th Report on Economic and Social Cohesion\(^1\) that despite convergence at national and regional level, large disparities remain not only between individual regions of the EU, but also within the regions itself, where they are hidden behind statistical averaging.

3. CEMR underlines, that any future Cohesion Policy should be based on the principles of subsidiarity and territorial solidarity. The focused care for the development needs of least developed territories and of lagging regions should continue also in the future, towards an economic, social and territorial cohesion of the whole European Union.

4. We recall that the debate on the future shape of the cohesion policy after 2013 has just started and that there is still sufficient time for in-depth analyses and continuous dialogue with all stakeholders, before any final conclusions and decisions shall be made.

5. In line with the previous statement, we would like to contribute to the launch of the debate on the future of EU Cohesion Policy with highlighting several issues and principles important for our members, based on the views and experiences of Europe’s cities, municipalities and regions and loosely structured according to the questions published in the Fourth Report on Economic and Social Cohesion\(^2\).

Challenges for the future

6. The 4th Cohesion Report addressed various challenges, which affect our regions throughout the EU’s territory and CEMR agrees, that the future Cohesion Policy should be reformed in view of the new challenges. The potential impact of the various challenges on cohesion should be thoroughly evaluated and incorporated into the strategic guidelines and programming documents for the post-2013 cohesion policy.

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CEMR reiterates that these challenges do not affect only those regions lagging behind but to differing degrees all regions across the European Union. CEMR therefore holds that the future EU cohesion policy should continue to support all local and regional authorities across the EU in the preparation and adaptation in the best possible manner to these challenges which the EU is facing. This implies a shift from a purely redistributive policy focusing on overcoming disadvantages, to a policy of supporting also development opportunities and territorial potential across the diversity of the EU’s localities.

Among the key future challenges, which will have to be addressed within the context of a future EU Cohesion Policy, we note the growing importance of the following:

a. environmental issues – global climate change including its causatory agents and resulting effects, disbalanced water cycle and the resulting droughts and flooding, or the decline of biodiversity;

b. demographic issues – patterns of migration between and within countries, ageing population, rising demand for labour with high education and skills levels with a simultaneous reduction in the demand for manual labour;

c. energy issues – increased energy prices, need for environmentally friendly energy sources and improved energy efficiency;

d. territorial issues – interface between urban and rural areas, increased urbanisation in Europe and depopulation of rural areas.

Many of these challenges should be assessed in view of the ongoing development efforts in line with the Lisbon agenda³ and the Gothenburg agenda⁴. The principal objectives contained therein should be maintained as key guidelines for the future, notwithstanding the fact, that these strategic documents are formulated with a perspective until 2010.

Lessons learnt

CEMR recalls its standing support to a cohesion policy with a prominent convergence objective. Continuing focus on the least developed regions should improve Europe’s cohesion and integration and is a manifestation of the principle of territorial solidarity.

In spite of the fact that for the current programming period of 2007–2013 regional policy is the EU’s second largest budget item,

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³ Presidency Conclusions, Lisbon European Council, 23–24 March 2000
⁴ Presidency Conclusions, Göteborg European Council, 15–16 June 2001
we share the view published in a recent OECD study\(^5\), that the available funding is too small to cover all necessary disparities. Therefore it yet remains to be analysed, how the objectives set for the current programming period (2007–2013) achieve the desired targets and results. However, bearing in mind the limited resources available, future priorities have to be defined both thematically and geographically.

12. Another related implication thereof is the necessity to include the discussion on a future of the cohesion policy in a broader discussion on the future EU budget in order to balance the financial allocations with the addressed challenges.

13. Bearing that in mind, further thought and discussion is needed on how to allocate resources and on the best type of support measures for non-convergence regions, taking into account the lessons learnt during the current funding period.

14. We have noted an emerging consensus, that a wider set of criteria may be considered for the allocation of funding, beyond the GDP/GNI indicators used so far. Among the proposed indicators of “regional happiness” are socio-economic indicators (rate and quality of employment, decentralisation and accessibility index, infrastructure and transport provision), socio-cultural (e.g. the U.N. human development index), socio-demographic (rate of births, divorces or suicides, migration patterns) or socio-environmental (environmental comfort index, days of rainfall, air quality, oxygen and carbon dioxide production etc.).

**Growth and jobs in the new context**

15. CEMR welcomes the increased focus on territorial aspects as the third pillar of European convergence, together with economic and social issues. Within the Network of Territorial Cohesion Contact Points we actively participate in the implementation process of the European Territorial Agenda as exemplified by the ongoing work within the framework of the 1\(^{st}\) Action Programme. We also closely follow the intergovernmental process following the adoption of the Leipzig Charter on Sustainable European Cities.

16. Progressive urbanisation of Europe's territory allows for the formation of secondary poles of growth, yet inherently results in disbalance of the regional development. CEMR therefore emphasises the importance of targeting towards the urban-rural interface and the need for further strengthening of the link between rural and urban areas in the future, as well as increased focus on integrated urban development.

17. Within the debate on a future Cohesion Policy we deem necessary to take into account the territorial impact of all sectoral policies and

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their role in fostering economic, social and territorial cohesion. A closer synchronization of the cohesion policy is necessary with both the Europe-wide strategic objectives and programmes as well as with development strategies at regional and local levels.

18. CEMR sees noteworthy in this respect, that many of the urgent challenges addressed by the ongoing review of the Common Agricultural Policy are of the same or very similar nature as those addressed by the regional policy, whereby the solution proposed by the CAP review to tackle these issues is through the Rural Development policy\(^6\). CEMR would see a need for more complementarity between regional development instruments and rural development instruments, where in the future rural development might become an integral part of a coherent policy of territorial cohesion. In this respect, we remind, that farming enterprises in agriculture and forestry can only be successful in a vital rural context.

**Policy management**

19. The implementation of the 2007–2013 programmes started only recently and we yet have to follow and evaluate the whole process. The experience of Europe’s cities, municipalities and regions with the programming and preparation of National Strategic Reference Framework documents as well as Operational Programmes can be summarised as follows:

20. On behalf of the stakeholders CEMR calls for increased emphasis on the principle of subsidiarity. Europe’s local and regional authorities would welcome the allocation of more responsibilities in order to increase their involvement in the planning, administration, delivery and monitoring of regional development policies and instruments.

21. In this context, however, we would strongly reject any tendencies on a “re-nationalisation” of the cohesion policy to the member states.

22. Also the principle of partnership should be maintained and manifested within a multilevel approach to governance of a post-2013 cohesion policy. To this end, we would envisage a process of early dialogue with the relevant local and regional actors and the inclusion of local and regional aspects into national programming documents.

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6 Communication from the Commission: Preparing for the 'Health Check' of the CAP reform, 20 November 2007