Lisbon Regions Network

Response to the Green Paper on Territorial Cohesion
(published by the European Commission – 6th October 2008)

* this document represents the position of the LRN and may not represent the position of the individual partner regions.
Introduction to the Green Paper

The Lisbon Regions Network (LRN) is a network of 15 ambitious high performing regions\(^1\) with a shared interest in the delivery of the Lisbon Strategy at regional and local level. Launched in March 2004, the network aims to underline the regional and local dimension of the Strategy and to contribute to its future development at European, national, regional and local level, stimulating jobs and growth in its territories.

The network provides a platform for regions to:

- participate in the wider policy debate at national and European level, in order to promote better governance of the Lisbon Strategy;
- exchange experience on the tools used and the challenges faced in the implementation of the Lisbon Strategy at the regional and local level;
- analyse the impact of local and regional polices on the different pillars of the Strategy;
- work together in EU-funded projects that help regions to meet the Lisbon goals, share best practice and stimulate jobs and growth.

The LRN welcomes the European Commission’s Green Paper on the issue of Territorial Cohesion as a way to widen the debate about, and to better shape, the definition of Territorial Cohesion, taking into consideration the national and different approaches across EU.

In particularly, LRN welcomes the idea of a stronger focus on territories as a vehicle of growth and sustainable development where diversity and their internal territorial cohesion can be turned into the Union’s strength.

The Lisbon Strategy, signed in 2000 by EU Heads of States, was designed to enable the Union to face the challenges of the XXI century. The Union chose an integrated approach where economic growth goes hand in hand with social and environmental development. LRN believes that territorial cohesion is a complementary issue and a vital ingredient to make the Lisbon Strategy work.

This approach calls for a stronger involvement of regions and cities, as the local dimension ensures that policies are designed and implemented with local knowledge and that they are able to respond to local needs in order to develop and to enforce the potentials of all territories. Moreover, this approach enables growth centres to enhance the innovation capabilities of their surroundings and promotes a more harmonious territorial development. It is here that LRN wants to focus its attention: territorial cohesion helps all territories to formulate a vision and projects for future development. Diversity will, therefore, be translated into growth and jobs. LRN hopes that the European Commission will find inputs and ideas in this document and that the on-going discussion will lead to the publication of a White Paper on Territorial Cohesion.

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\(^1\) Aquitaine Region • Bratislava Self-Governing Region• Brussels Capital Region• Helsinki Region • Land Hessen • Lisbon & Tagus Valley Region • Regio Randstad • Regione Emilia-Romagna • Riga City and Region • Slovenian Business & Research Association • Sofia Municipality • Stockholm Region • Valencian Region • West Midlands • Wielkopolska Region
1. Definition
Territorial cohesion brings new issues to the fore and puts a new emphasis on existing ones.
– What is the most appropriate definition of territorial cohesion?
– What additional elements would it bring to the current approach to economic and social cohesion as practiced by the European Union?

The **social dimension of cohesion** refers to solidarity between territories in order to promote a balanced development of the EU providing services of general economic interest, including water, electricity, postal, telecommunications and transport services. The **economic dimension of cohesion** refers to the promotion of a more competitive European Union through the enhancement of its centre of excellence and innovation, also in respect of their positive influence on the surroundings.

The territorial dimension refers to the use of all existing territories potentials at their best, that is to say, to promote the sustainable use of all the resources that can aid regional and local development and competitiveness. From this point of view, **territorial cohesion** can be considered as the link or *trait d’union* between cohesion policy – traditionally linked to the concept of solidarity - and the Lisbon strategy for growth and job – as the EU agenda to promote competitiveness and a sustainable development.

**LRN** proposes a definition of territorial cohesion that does not mean bringing all regions to the same level by focusing on the weakest links, but to continually raise the bar by helping **all regions** to progress further. **LRN** considers territorial cohesion as a new cross-cutting dimension of all public policies in order to improve their effectiveness and to exploit the diversities and potentials across at all levels of territorial governments in the EU.

The territorial dimension is therefore one important dimension of a single integrated cohesion policy where the territory is both a subject and an object of the policy, since the territorial specificities are the basis for the definition of development needs and strategies of intervention.

Territorial cohesion should be seen as a territorial **dimension of sustainability**, intended to enhance the excellence of the territories, promoting regional potentials and “territorial capital”, extolling specific competences, and overcoming administrative borders and frontiers.

Territorial development should be monitored and evaluated not only through measures of GDP, but also bringing in other criteria such as demography, infrastructures, ICT coverage, research and innovation capacity and more dynamic criteria such as internal availability, internal networking and cooperation. This wider perspective of territorial capacities in terms of **quality of life and work environment, efficiency in the use of resources, identifying and safeguarding social capital allows regions to implement fully the Lisbon strategy.**
2. The scale and scope of territorial action
Territorial cohesion highlights the need for an integrated approach to addressing problems on an appropriate geographical scale which may require local, regional and even national authorities to cooperate.

– Is there a role for the EU in promoting territorial cohesion? How could such a role be defined against the background of the principle of subsidiarity?
– How far should the territorial scale of policy intervention vary according to the nature of the problems addressed?
– Do areas with specific geographical features require special policy measures? If so, which measures?

LRN believes that there is indeed a role for the EU in the promotion of a territorial dimension to all public policy. The EU should provide a future strategic scenario for its economic, social and environmental development where territorial cohesion should promote those territories that have a vision and a strategy for their future development, on different scales according to the optimum level of intervention – based on the subsidiarity principle. National and regional levels of government should create a more detailed and local spatial planning to enhance and implement locally territorial cohesion.

The principle of vertical subsidiarity means it is necessary to combine both top-down and bottom-up approaches inside a multilevel governance framework. On the one hand, the regional actors bring their own specific knowledge and identify specific needs and potentials of their own territories while, on the other hand, the national and supra-national authorities define objectives and general priorities and establish common and shared rules for the implementation of public policies, thereby concentrating their efforts and resources where they can be more effective for sustainable and long term development. This top-down approach should provide means to make it possible for all regions to co-operate across administrative boundaries.

The strengthening of a multilevel governance approach towards territorial cohesion requires a stronger involvement of all levels of government both in the programming and implementing phases (multilevel building of territorial cohesion).

In line with the horizontal subsidiarity principle, it is necessary to promote coherence and integration of all relevant EU policies with a territorial impact, identifying and mobilising the territorial potential aimed at growth and jobs. This means maintaining and reinforcing a diffuse and integrated development at the territorial level, encouraging the specialisation and their functional integration, through better access to the construction of territorial networks based on complementarity more than on geographic borders.

The regions of the Lisbon Network believe that territorial cohesion should support those regions that have a future vision and strategy regarding their own development, notwithstanding their territorial and geographical weaknesses. A regional vision should, therefore, be built upon an integrated regional strategic plan for future integrated development of the whole territory, involving all actors towards negotiated and shared objectives and priorities. This includes defining and promoting a territorial governance system that involves institutional and non-institutional actors, and public and private bodies. The LRN is very keen to promote the development of networks and exchanges of experience by regional and local authorities in order to promote bench-learning and benchmarking with less experienced regions.
3. Better cooperation

Increased cooperation across regional and national borders raises questions of governance.
– What role should the Commission play in encouraging and supporting territorial cooperation?
– Is there a need for new forms of territorial cooperation?
– Is there a need to develop new legislative and management tools to facilitate cooperation, including along the external borders?

The LRN promotes the cooperation dimension in the territorial cohesion and regards it as a dynamic tool to transfer experiences and to help overcome issues regions are facing due to the ever quickening pace of globalisation. If the two other objectives of the ERDF play an important role, in improving local and regional development locally, territorial cooperation allows regions and localities to go beyond their borders searching for complementarities with other regions and helping to set up learning processes.

The LRN argues for a stronger cooperation in view of improving the implementation of the Lisbon Strategy in all its dimensions: economy/innovation, social issues and environment. In the long term, it will help to achieve a better equilibrium across Europe. Territorial cooperation can help to overcome the disparities and to reach excellence while promoting innovation and better connectivity between regions.

LRN asks the European Commission to strengthen interregional cooperation (Interreg IVC, Urbact and Interact). Firstly, it regrets the fact that more resources were not devoted to this programme. In this perspective, the three related programmes should capitalise on the objectives Competitiveness and Convergence as well as on the former Territorial Cooperation programmes. Secondly, although the added-value of the Territorial Cooperation is unquestionable in the development of European regions, we consider that it is important to rethink European cooperation as a strategic issue, integration, decrease the asymmetries related to regional performances and therefore, improve territorial cohesion. Furthermore, some of the programmes are too limited in geographical terms, which can be an obstacle for the concretisation of some strategic regional partnerships. To maximise access to European funds and to enable a greater diversity of partnerships within a logic of inter-regional cooperation with the capacity of investments (such as in transnational cooperation) are examples of positive measures with proven impacts on territorial cohesion. It is also important to pay special attention to the simplification of the administrative aspects of these programmes.

The LRN considers that stronger cooperation between regions can accelerate economic development and can generate better growth and development more adapted to an increasingly globalised world. In this context, the development of interregional clusters and networks at the EU level should help combine complementarities and strengths between universities, research centres, SME's and public bodies and to set up more innovative structures. Interregional, transnational and cross border cooperation is even more necessary in view of the financial crisis facing Europe, which is obliging regions to collaborate more effectively.

The LRN calls for the reinforcement of the EGTC. It is convinced that this new instrument can offer good opportunities to strengthen cooperation between regions. Networks should be encouraged to better use it and to give a legal framework to their initiatives.

Finally, the LRN has already stressed the importance of a new form of governance which can be accomplished through the cross border, transnational and interregional programmes and should be strengthened in the future.
4. Better coordination

*Improving territorial cohesion implies better coordination between sectoral and territorial policies and improved coherence between territorial interventions.*

- How can coordination between territorial and sectoral policies be improved?
- Which sectoral policies should give more consideration to their territorial impact when being designed? What tools could be developed in this regard?
- How can the coherence of territorial policies be strengthened?
- How can Community and national policies be better combined to contribute to territorial cohesion?

Analyses show an unbalanced territorial structure of the European Union in the light of the aims of the Lisbon Strategy. Factors of competitiveness, environmental and social pressures, missing links in key transports, ICT, energy are distributed unevenly in the territory of the Union. Analyses of the territorial impact of EU policies highlight the absence of effective and structured EU territorial governance. The EU policy process does not take into account the territorial dimension of EU policies in a structured manner.

The key challenge is to enable a more effective development of Europe’s regions by ensuring that EU sectoral and economic policies and territorial development policies by Member States and regions structurally reinforce each other. The regions of the Lisbon Network believe that the aims of the Lisbon Strategy implicitly incorporate a strong territorial dimension by promoting “territorial governance” or horizontal and vertical policy coherence. The regions of the Lisbon Network are developing *bottom-up initiatives* and activities, such as *regional development plans in line with the Lisbon Strategy* and these activities are likely to *strengthen synergies and coherence* among the various sectors, such as territorial development policies and strategies. They are therefore important conditions for the success of both territorial cohesion and the Lisbon Strategy.

Another key challenge appears to be to *use the diverse territorial potential of different European regions in a more effective trans-European territorial integration*. A priority for strengthening territorial cohesion, except the bottom up process of defining territorial development policies linked to the Lisbon Strategy, is thus promoting interregional cooperation regarding territorial development strategies within the framework of *European Territorial Cohesion*.
5. New territorial partnerships

The pursuit of territorial cohesion may also imply wider participation in the design and implementation of policies.

- Does the pursuit of territorial cohesion require the participation of new actors in policymaking, such as representatives of the social economy, local stakeholders, voluntary organisations and NGOs?

- How can the desired level of participation be achieved?

Strengthening the territorial cohesion in light of the aims of the Lisbon Strategy requires wider participation in both the design and implementation of policies. Territorial cohesion can only be achieved through an intensive and continuous dialogue between all stakeholders involved in territorial development, to create a structured “territorial governance”. The private sector, especially locally and regionally based, research and development agencies, local and regional authorities, non-governmental organisations and different sectors need to act together in order to make better and more coherent use of investments in European regions. The kind of involvement will, of course, depend on by the history, culture and institutional arrangements of each Member State.

The Lisbon Regions Network believes that the increased participation of the regional and local level in the design and implementation of development plans, such as the National Reform Programmes, and EU policies with a territorial impact would be beneficial for territorial cohesion.

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On behalf of the LRN

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