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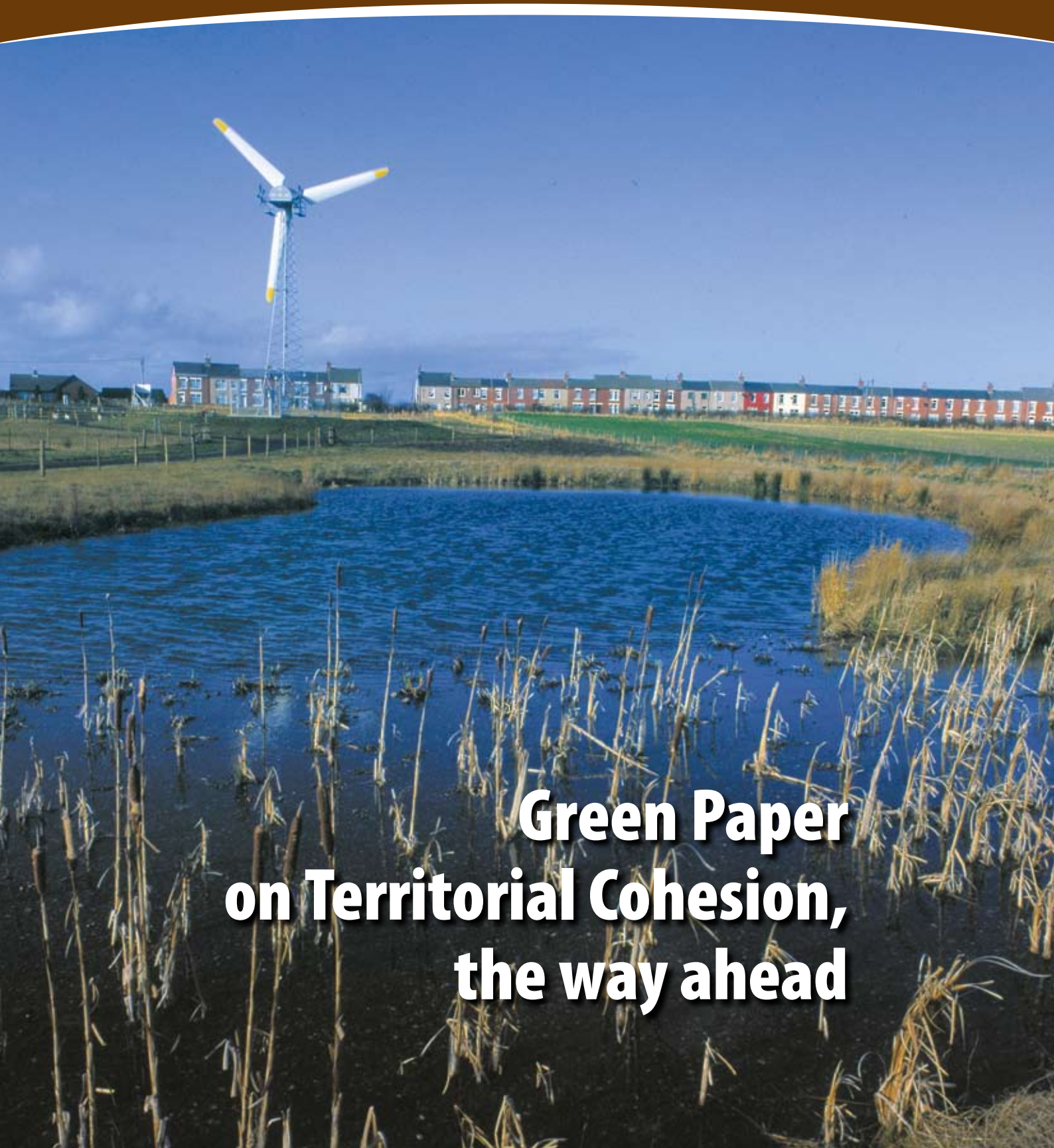


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panorama



**Green Paper
on Territorial Cohesion,
the way ahead**

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necessarily reflect the views of the European Commission.

In brief

Territorial Cohesion – Turning diversity into strength

The Commission's newly published Green Paper on Territorial Cohesion has sparked debate over issues that are fundamental to the way in which the EU operates. Far from having an impact on Cohesion Policy alone, the paper raises questions over the nature of territorial co-operation, of how people use the spaces in which they live, the territorial implications of sectoral policies, the relationship between co-operation and competitiveness. Lifestyles are changing, previously unthought of challenges are evolving. At all levels, governments in Europe need to respond. But how?



With such a fertile debate extending over a diversity of subjects, this issue of Panorama focuses solely on the Green Paper. We take a look at the Green Paper itself, report from the two-day kick-off conference held in Paris, interview five people directly involved in Regional Policy at various levels to find out what their hopes and fears are and introduce the EU's new tool to make regional co-operation across borders easier – the European Grouping of Territorial Co-operation, EGTC.

The territorial dimension has been at the core of Cohesion Policy since its inception, through the system of eligibility, or the system of distribution of financial resources or the way in which programming has been organised. But many feel the need to improve the way public policies address territorial needs, even if at present there is no agreement about the way to do it. In this context, the European Parliament, the informal ministerial meetings of ministers responsible for urban development and Territorial Cohesion in Leipzig in 2007, as well as many associations representing specific types of territories, have asked the Commission to present a paper on Territorial Cohesion. The Green Paper is our answer.

By launching the debate, the Commission has the ambition to reach a common understanding of Territorial Cohesion, and common European solutions.

I invite you to read this Panorama magazine and visit the Inforegio website dedicated to the Green Paper http://ec.europa.eu/regional_policy/consultation/terco/index_en.htm

Join the debate and get your views across!

A handwritten signature in black ink, which appears to read 'DHübner'.

Danuta Hübner
Commissioner for Regional Policy

Turning territorial diversity into an asset - The Green Paper on Territorial Cohesion

Density, distance and division: three factors the World Bank's 2009 report identifies as having a possible impact on the pace of economic and social development. In its Green Paper on Territorial Cohesion, the Commission outlines three possible fronts upon which to tackle these challenges; considers regions with particular geographic characteristics; discusses the notion of Territorial Cohesion in the programming of EU policies and opens the topic of cohesion up for debate.

In 2006, the Council adopted the Community Strategic Guidelines which stated, "promotion of Territorial Cohesion should be part of the effort to ensure that all of Europe's territory has the opportunity to contribute to the growth and jobs agenda". Strategic guidelines on rural development also highlight the contribution made by related programmes to Territorial Cohesion.

The need to promote co-operation, dialogue and partnership between the different levels of government, organisations and the people implementing policy on the ground, is increasingly recognised.

Given these issues and changes brought about by recent enlargement, the need to harmonise strengths to face the challenges of a global economy and the imperative to work towards more sustainable growth, the Commission has published this Green Paper and launched its consultation phase. So what is really up for discussion?

Concentration – Connection – Co-operation: answering the challenges

Concentration

The EU has an unusual settlement pattern with around 5 000 towns and almost 1 000 cities spread across Europe. Although the urban network is relatively dense, only 7% of the population live in cities of over five million as opposed to 25% in the US.

At a global level, cities are smaller in the EU and this has an effect on productivity. The EU is characterised by less spatial concentration of economic activity than other developed areas of the world – reflecting a certain, European way of life that values sustainable development, the protection of natural resources and cultural traditions. All this means that although urban life is a widespread feature, it is not a concentrated one: city dwellers live close to rural areas and rural residents often live within easy reach of services. Small and medium-sized towns are more important than their size might suggest, providing infrastructure and services that are key to avoiding rural depopulation and urban drift.



Economic benefits of concentration need to be encouraged, while still preserving the positive aspects of Europe's towns and cities.

In a territory characterised by a large number of small and medium-sized towns, how can the advantages of concentrated economic activity be achieved while avoiding the down side, such as pollution, congestion, urban decay and social exclusion? The answer lies in the encouragement of co-operation, interaction, and connection between towns, cities and the surrounding rural areas. To benefit from the rise in productivity brought about by the concentration of economic activity, Europe needs to achieve critical mass through networking rather than huge cities creating the effect through sheer numbers.

Territorial Cohesion asks us how we can make the most of this unique and diverse settlement structure since European citizens should not be disadvantaged with regards to employment opportunities, housing conditions, access to public services and the like, simply by virtue of living in one region and not another.



Advanced traffic management systems brings people together physically while better use of technology promotes the sharing of ideas.

Connection

However balanced the urbanisation that unfolds in the future, the individual conurbations, and the people living in them, need to be brought together. Transport links jump immediately to mind, but interconnection also implies: good broadband Internet access; connection to reliable supplies of energy; links between research centres and business and ensuring that the special needs of disadvantaged groups are met.

In the new Member States, good road links are scarce and railways are patchy: in most, railways cannot handle high speed trains and are often in need of repair. Advanced traffic management systems need to be put in place. The CO₂ reduction that could come from shifting freight by water is not being achieved – transport by sea and inland waterways remains under developed.

Access to services of general interest such as health care or education is often a problem in rural areas. In remote regions, on average over 40% of the population live more than a half an hour's drive away from a hospital and 43% more than an hour away from a university. The potential of ICT to offer telemedicine and remote learning is not being exploited.

Metropolitan areas spanning local and regional borders, and border regions, within the EU-15 have benefited from many years of Cohesion Policy with positive impacts including improved accessibility, quality and efficiency of cross-border health care – important since there is a lack of clear rules on the issue of access.

The EU is surrounded by regions to the south and east which have still lower gross domestic product (GDP) per head than the external border areas of the Union – which already have the lowest rates of GDP in the EU. Some of these countries outside the EU also have growing populations, so the pressure for migration is great.

Up for debate

There is a need to develop coherent policies for infrastructure and economic co-operation in the new Member States and the border regions of the old Iron Curtain. Work on improving the use of maritime spaces and the crossing of land-sea borders is also required.

Up for debate

More balanced and sustainable development which strengthens competitiveness at the same time respecting natural assets, such as open countryside, is needed. Such development should also ensure social cohesion. This implies avoiding excessive concentrations of growth while helping everyone reap the benefits of the facilities that come with town and city living – access to hospitals and schools for instance.

Co-operation

Issues which demand closer co-operation can be subtle – problems which seem to arise and affect just one region, can in fact be provoked outside that territory. Contaminated soil would seem to be a specifically localised problem, when it arises. But pollutants buried in one country can cause seepage which affects another – underground, water tables can be degraded and where one country behaves irresponsibly it can be another which foots the bill. Climate change and the subsequent floods, fires and droughts are more obvious challenges which will demand ever more effective cross-border co-operation.

While environmental considerations challenge our previously held notions of borders, boundaries and independent regions, the nature of modern work flows also require closer partnerships between areas which may have previously considered themselves discrete, separate entities. Economic development, public transport, access to healthcare, higher education and training facilities – all span regional borders.

The added value of co-operation is widely recognised. After 14 years of programmes targeting the issue, the Commission hopes the Green Paper will draw attention to the benefits of taking territorial co-operation to a new level. This is already being seen in the nascent EU Baltic Sea Region Strategy – a testing ground for the rethinking of the nature of territorial co-operation which emphasises more coherent strategies, shared community objectives and robust implementation tools.

But the ideals need to be put into practice and ways to help further the aims found. The European Grouping of Territorial Co-operation (EGTC) gives different administrations a legal framework to work together – but more can and should be done.

Up for debate

A simpler, more effective and adaptable toolkit to facilitate co-operation between different administrative and institutional cultures needs to be put forward; the EGCT is a good, first step.

Up for debate

Do regions with specific geographical features require special policy measures?

Geography – friend or foe?

Mountain and island regions present economic characteristics as singular as their topography. While tourism has, in many cases, served them well, boosting the local economy and providing the means and motivation for transport links and good basic services, it has also made them vulnerable. Dependence on one sector alone puts these economies at risk, rendered more acute by the challenges of climate change – the islands face rising sea levels and coastal erosion, the mountains, receding glaciers and decreasing snow falls.

Accessibility is another cumulative barrier to development – the islands are frequently peripheral and mountain areas in many cases act as natural barriers between Member States, reinforcing border effects. International co-operation in these areas is therefore essential not only for the mountain areas themselves, but also for the lowland areas they separate.

Why publish a Green Paper now?

Discussion on territorial development started at the beginning of the 90s with the publication of two reports, Europe 2000 and Europe 2000+. But it was only in 1995 during a meeting of the Assembly of European Regions in Antwerp that the concept of Territorial Cohesion first appeared.

Two years later the concept was introduced in the Treaty of Amsterdam (Article 7d) and in 1999 Member States adopted the European Spatial Development Perspective (ESDP). Frequent meetings between ministers responsible for spatial planning and regional development, from various governments, led to the adoption of a Territorial Agenda which set out three priorities for cohesion:

- Focus national and regional territorial development policies on making the most of territorial assets;



Geographical elements such as mountain ranges challenge our previously held notions of borders.



Cohesion Policy – turning territorial challenges into assets.

- Strengthen links between, and the integration of, territories by promoting co-operation and exchanges; and
- Enhance the consistency of EU policies with a territorial impact.

The emphasis on Territorial Cohesion at intergovernmental level showed the debate was advanced enough to aim for a shared vision of how cohesion fits in to EU policies – after a year of formulation the Green Paper was published, to consolidate opinion and shape a way ahead.

Taking Territorial Cohesion to a new level

Until now, the traditional cornerstone of cohesion funding, and the unit of analysis upon which policy was based, has been the Member State's medium-sized NUTS 2 administrative regions, identified by Eurostat as sharing a common set of parameters.

Territorial co-operation calls a more flexible approach to geography that considers both smaller regions and larger ones such as the Danube Basin and the Black Sea region. But the analysis doesn't stop there; the new approach to geography also takes on board levels of co-operation and networks as geographical features, giving another dimension to the ways of considering the layout of the European Union.

The argument that we need a territorial counterpoint to large, EU-wide, sectoral policies, is gaining momentum, as is the fact that policy needs to be adapted at local level to work well. This is starting to filter through with certain regional programmes passing global budgets directly to the cities involved, giving them a say in the design and implementation of projects. The emphasis is on place-based policymaking with the word 'territory' reminding authorities they need to know the lay of the land before formulating policy. There needs to be a change in sectoral policy planning. The development of sectoral policies should take into account, at all levels, the impact policies will have in the regions themselves. Agriculture, innovation, sustainable development – one size does not fit all.

The Green Paper fine tunes the approach, arguing that the implicit attention paid to Territorial Cohesion needs to become explicit – Regional Policy should, as its description implies, be applied to the different sorts of regions, in the ordinary meaning of this word, or to use another term, to territories. A subnational focus needs to be encouraged with an emphasis on 'place-based' policies which integrate with policies on sectors such as sustainable development and access to services.

By suggesting a more flexible geography, the paper does not call into question national and regional competence in the field of spatial planning and land use. As Danuta Hübner, Commissioner for Regional Policy, explains; "We need to explore new forms of governance to further reinforce the difficult, but essential combination of high-level European direction and bottom-up adjustment to local needs and preferences."

Diversity as an asset not a barrier

Along with a change in perspective comes a change in philosophy – co-operation is not just about trying to transcend national borders, it is also a critical step towards strength.

Simple stereotypes such as 'urban equals productivity – rural equals disadvantage' need to be cleared away as does the idea that certain types of topography are inextricably linked to low GDP. Some cities are struggling, some rural areas booming and territorial co-operation should focus on bringing the two together to provide the opportunity for the regions to improve the lives of the people living within them across the board.

Funds should be channelled into kick starting synergies which are self-perpetuating, feeding back into the region after the project or programme is over. The focus should be shifted from shoring up to seeding the potential for growth – co-operating to compete.

The Commission welcomes your feedback during this process of debate which will run until the end of February, 2009. See the Green Paper website:

http://ec.europa.eu/regional_policy/consultation/terco/index_en.htm

The Green Paper from different angles

The following selection of interviews highlights how the Green Paper is perceived by a cross section of people involved in regional policy. Their priorities and positions are interwoven with their occupations and to show their different perspectives, each interviewee was asked two key questions which remain the same in each case. The third is of their own making, providing a window on their key preoccupations, varying according to their role.

Danuta Hübner, European Commissioner for Regional Policy

1. How do you envisage the recent Green Paper on Territorial Cohesion changing things on the ground?

The Green Paper asks us to consider the impact that policies, like transport or agriculture, have on the ground. It asks how the harmonious development of different territories can be achieved through different public policies, and in particular through European Cohesion Policy.



Policy needs to be integrated at all levels, addressing the needs of people living in appropriately defined territories.

Cohesion Policy is about ensuring people are able to make the most of the inherent features of the territories in which they live and the Green Paper opens up the debate on how to ensure this. We are listening to what people are saying in this consultation period and are taking stock of their comments, but, in my view, there are concrete aspects to consider.

We need to rethink how we define ‘territory’ and make policy. Increasingly people are not confining themselves to established administrative borders – commuting to work and covering greater distances to shop or for leisure – so how they live within territories is changing. At the same time, new challenges such as globalisation, climate change and migration require common European action which brings together all levels of policy making.

We need to have an integrated approach to policy making at all levels; **public policies need to meet people’s needs in territories that are appropriately defined.** These territories could vary from local communities to metropolitan areas, from cross-border regions to transnational maritime or river basins.

Progress is needed to coordinate sectoral and territorial policies, even if the different policies remain autonomous. There is also a need for further partnership to reinforce the difficult, but essential combination of high-level, European direction and the bottom-up definition of local needs and preferences.

A clearer knowledge of our territories, including territorial dynamics, impacts, scenarios, and so on, is needed for better decision making. Data and indicators, as well as methods, must be able to detect the complex nature of the impact policies can have on the ground. There are significant ongoing efforts in this respect, for instance within the ESPON programme.

2. Co-operation seems to be a key theme in the Green Paper – what issues do you feel may need to be overcome in order to bring about real interregional and transnational regional co-operation?

The preamble of the Lisbon Treaty points out that the prime objective of the European Union is to ‘create an ever closer union among the peoples of Europe’ and to ‘ensure the economic and social progress of their countries by common action to eliminate the barriers which divide Europe’.

To ensure this we need to focus on co-operation, and no matter how well we implement the internal market, barriers do still remain.

I hope the Green Paper will trigger a far-reaching discussion, identifying the challenges common to certain types of regions and which will be better addressed through co-operation. Co-operation and sharing experience between regions can be a key trigger in stimulating a dynamic, forward-looking regional development process.

Multilevel governance can give shape to sustainable co-operation within large, transnational areas such as mountain ranges, cross-border agglomerations and common territories at a more local scale. Here, the European Grouping for Territorial Co-operation, which can involve all public levels, appears to be an emblematic EU tool.

3. Is the debate on Territorial Cohesion premature, given that the Lisbon Treaty in which it is enshrined has not yet been signed?

The debate is not premature – it is important to realise the concept of Territorial Cohesion is not new. In this context, the European Parliament, the informal meeting of Ministers

responsible for urban development and Territorial Cohesion in Leipzig in 2007, as well as many associations representing specific types of territories, asked the Commission to present a paper on Territorial Cohesion. The Green Paper is our answer.

The territorial dimension has been at the core of Cohesion Policy since its inception, through the system of eligibility, the system of distribution of financial resources and the way in which the programming has been organised. But many feel the need to improve the way public policies address territorial needs, even if at present there is no firm agreement about the way to do so.

Michel Delebarre, First Vice-President of the Committee of the Regions since 2008, Mayor of Dunkerque

1. How do you envisage the recent Green Paper on Territorial Cohesion changing things on the ground?

The first advantage is the opening of the debate. The notion is essential for the next 10 years for the construction of the European Union. So what do we mean by Territorial Cohesion? My analysis is that each territory must have hope for the future, must be able to construct a strategy after its own fashion. That doesn't mean that all the territories are the same, will have the same number of SMEs or the same degree of infrastructure. All regions come across internal problems related to Territorial Cohesion and competitiveness. As far as we are concerned, it is necessary to let all the regions play their part in the 'European concert' both despite and because of their diversity. **No territory should be abandoned, left behind in the development of the EU.**

We need to bring forward a voluntary policy of cohesion to get to Territorial Cohesion. It must not be a fix all policy for EU policies which have not changed regardless of territory, by their own choice, for example research or agricultural policies. It isn't possible to consider Cohesion Policy or Territorial Cohesion as the fix all for all these other policies. So it is an important point to think about for the future for the EU.

2. Co-operation seems to be a key theme in the Green Paper – what issues do you feel may need to be overcome in order to bring about real cross-border and transnational regional co-operation?

Nobody contests the added value brought to Europe through territorial co-operation. It needs to be strengthened as a key tool for Territorial Cohesion.

When we look, concretely, at frontiers we find ourselves in territories which, without doubt, provide the biggest opportunities for the future building of Europe. It is there that we affect people's everyday lives. There are obstacles in the domain of social security and in the area of transport, but I believe we will be able to surmount all these. The EU must continue to consider this process as a laboratory for the construction of a European Union that has a daily presence. I think that is very important.

Everyone wishes to see best practice being implemented but this is not possible without some funding and some

By launching the debate, the Commission hopes to reach a common understanding of Territorial Cohesion, and common European solutions. But we have to take the policy process into account. The Lisbon Treaty will make the Territorial Cohesion objective visible and explicit; but first it has to be ratified. Future Cohesion Policy shall deepen the territorial dimension of development; but at present we are working hard on making the implementation of the 2007–13 programmes a success. We have to think of the future, but many things can be done within the present treaties and regulations.

European regulation. We need to say, loud and clear, that in the eyes of those elected, those working in the institutions and those involved in the economic and social aspects of the territories, it is inconceivable that the current objective of co-operation be reconsidered, post-2013. Improvements, yes. Reforms, yes. But the exchange of best practice can not be done for free and no restrictions should be placed on territorial co-operation.

3. What role should public services play in Territorial Cohesion?

The Treaty of Lisbon clearly links the notion of public services to Territorial Cohesion which is a fundamental aspect in the construction of Territorial Cohesion. For example, consider the directive on the postal services. I am sure that if we had submitted the text to an examination beforehand, with regards to the needs of Territorial Cohesion Policy, we wouldn't have been able to use the same text because it doesn't respond to the needs of Territorial Cohesion. Public services are a dimension that needs to be reapplied to the notion of Territorial Cohesion. This could prompt Europe to review a number of things in relation to public services. I would have liked the Green Paper to put a much stronger emphasis on this.



The European concert: each region's diversity is Europe's overall strength.

Andreas Faludi, Professor of Spatial Policy Systems in Europe at the OTB Research Institute for Housing, Urban and Mobility Studies, University of Delft, Honorary Member of the Royal Town Planning Institute (RTPI, UK) and the Association of European Schools of Planning (AESOP).

1. How do you envisage the recent Green Paper on Territorial Cohesion changing things on the ground?

Being a discussion document, the Green Paper on Territorial Cohesion as such does not pretend to ‘change things on the ground’, but one may of course ask what the effects might be of the discussion which it will generate. In these terms, I envisage more attention being paid to where people live, where firms are located, where local communities or regions are in relation to their partners, their competitors, their markets, etc. In other words, as the Community Strategic Guidelines rightly claim, ‘geography matters’, and I hope that as a result of the Green Paper, public and private actors will combine forces to better understand geography and how to take their geographic positions into account. On this basis, they may also understand each other better and improve their individual and joint policies.

2. Co-operation seems to be a key theme in the Green Paper – what issues do you feel may need to be overcome in order to bring about real cross-border and transnational regional co-operation?

At the moment, the articulation of territorial concerns and of territorial strategies is crucially shaped by an institutional setup that has evolved over centuries, with communes at the bottom of a pyramid, the nation state at the top and one or more layers in between. This is so well established that we can hardly think of ourselves and of our institutions and how to organise democratic legitimacy in any other terms. At the same time, reality is rapidly changing,

with many relations cutting across the well established and strong boundaries drawn to bring order into this system. Much progress has been made in facilitating exchanges, but the existing setup is still very strong. So accountability takes place in terms of ‘my community’, ‘my region’, ‘my nation’, ‘my voters’, as does political legitimacy – which is perhaps the biggest challenge to interregional and transnational co-operation.

3. Why is it so difficult to define Territorial Cohesion – the first question for debate that the Green Paper poses, and one often raised in discussions?

As with economic and social cohesion which equally elude simple definitions, Territorial Cohesion is an umbrella concept. Michel Barnier who, as the Commissioner for Regional Policy in 2000–04 was responsible for introducing Territorial Cohesion into the debate, identified several elements to it: equity concerns (i.e. where people live should not crucially determine their opportunities nor their quality of life); competitiveness (regions and localities each in their own way play a crucial role in growth and job creation); sustainability and good governance. These represent different, and potentially contradictory, concerns that need to be specified, and hopefully reconciled, from case to case. Territorial Cohesion is thus an invitation to a dance, it is not the dance itself.

Lambert van Nistelrooij, Member of the European Parliament, Rapporteur on the Green Paper on Territorial Cohesion and the Fifth Cohesion Policy Progress Report

1. How do you envisage the recent Green Paper on Territorial Cohesion changing things on the ground?

I want to emphasise the need for ‘horizontal policies’ with an integrated approach, to make the governing of the territories more efficient. EU budgets and policies are complementary to each other on a given territory. I therefore support the Commission’s approach of ‘connection, co-operation and concentration’. This leads to a European-wide overview of the level of growth and wealth. If Member States and regional and local authorities choose, EU funds can support ‘development peaks’. We see new entities of regional development, in cross-border and ‘meta-regions’ for instance, like in the Baltic Sea region. Besides these developments, Territorial Cohesion stresses support for sustainable growth and competition in all European regions. **The future allocation of European funds will be influenced by our aim to work on a symmetric, multipolar and balanced Europe.**

2. Co-operation seems to be a key theme in the Green Paper – what issues do you feel may need to be overcome in order to bring about real cross-border and transnational regional co-operation?

First and foremost, regions learn a lot from each other and they share experience in programmes like, Regions of Economic Change, Regions of Knowledge and the European Neighbourhood Programme Initiative. Europe has a strong tradition of interregional and cross-border co-operation. Public and private investments, open coordination or innovative ecosystems are modern concepts that have to be strongly supported. Regions and cities are the territorial platform where policies get connected and gain added value.

In the 2007–13 period, objective three (co-operation) has been limited in financial terms. I propose to boost this objective. The leverage of interregional and cross-border co-operation is huge, and should be more profiled.

3. How can the Parliament contribute to furthering the political debate on Territorial Cohesion, in light of the recent publication of the Green Paper?

At this stage of the discussion on Territorial Cohesion, the Parliament will put forward new and challenging ideas to fuel the debate on the future of Cohesion Policy. ‘Territorial Cohesion’ should come in the mind of stakeholders as a horizontal concept aiming at defining the territorial impact of cohesion and sectoral policies on a given territory.

Therefore, the European Parliament should be firm in demanding the publication of a White Paper on Territorial Cohesion, following the end of the Commission’s consultation process. Only this will pave the way for translating ‘Territorial Cohesion’ into concrete provisions, which should be introduced in the next legislative package on Structural Funds for the post-2013 programming period. I believe that the European Parliament will safeguard the territorial dimension of our policies in a stronger way than we did before. This will be an approach for the whole European area, not only for the poorer regions!



Innovation ecosystems, competitiveness is helped along by co-operation and people exchange best practice.

Jesús Bedoya Vega, Deputy Director-General of Economy in the Cantabrian Regional Ministry of Economy and Finance

1. How do you envisage the recent Green Paper on Territorial Cohesion changing things on the ground?

The Green Paper is a highly interesting document that provides food for thought and opens up debate on concepts associated with Territorial Cohesion. However, in practice, the progress of this debate is impaired by its lack of concrete ideas and solutions regarding financial aspects, these being fundamental when trying to implement the ideas the document contains.

2. Co-operation seems to be a key theme in the Green Paper – what issues do you feel may need to be overcome in order to bring about real cross-border and transnational regional co-operation?

As a starting point, it is essential to define and delimit the nature and characteristics of every type of co-operation. The challenges, problems and solutions regarding cross-border co-operation are not the same as those faced by transnational or interregional co-operation. Traditionally, the culture of co-operation has taken root in the regions’ neighbouring borders, and as a result transnational co-operation agents’ engagement will only increase if existing co-operation areas are successfully reinforced and consolidated.

3. What is your assessment on transnational co-operation in the south-west Europe area, in which your region acts as Managing Authority?

My assessment is very positive; a lot of progress has been made in recent years. This progress has allowed more than five hundred organisations of south-west Europe to set in

motion common co-operation projects, even when no previous experiences of co-operation were recorded. That’s the real success of co-operation.



Health care, one of the areas which lends itself to cross-border co-operation.

The European Grouping for Territorial Co-operation (EGTC) - furthering the aims of the Green Paper

“Territorial Cohesion is about adapting to today’s realities and challenges. It is a European model for sustainable growth and jobs” explained Danuta Hübner, Regional Policy Commissioner, launching the debate on the future of Cohesion Policy.



EGTC – Reducing the complexity of cross-border co-operation.

The Green Paper on Territorial Cohesion talks of harmonious development across the EU and ensuring that people are able to make the most of the inherent features of the regions in which they live. Competitiveness, it argues, depends on building links with other territories to use common assets in a coordinated and sustainable way – but should those common assets be shared over different regions, or across the borders of Member States, the situation can become complex. To smooth the path to closer territorial co-operation the Commission has established the EGTC, which sets out to simplify the administration and financial control of territorial co-operation in Europe.

What is an EGTC?

The EGTC concept was set out in a 2006 regulation as a reaction to the pressure brought forward by cross-border Euroregions and similar organisations who called for a legal foundation for their co-operation. Bodies from at least two Member States have to be involved in an EGTC – members from outside the EU are potentially possible as well. Those involved can be at any level of government, regional or local authorities, associations or any other public body.

The establishment of an EGTC should be targeted at one of the following main types of activity: it can deal with the implementation of European territorial co-operation programmes or projects; it can cover the implementation of other territorial co-operation actions co-financed by the EU; or, finally, it can also carry out other activities that are not linked to EU funded projects.

What is to be gained by forming an EGTC?

The approach to Cohesion Policy is becoming more decentralised: 2007–13 programmes hope to bring in public organisations at sub-regional level so boosting multilevel governance. By combining and forming a legal personality, organisations will have a clearer voice – it offers them an additional way to take part in the implementation of programmes on an equal footing with regional or national governments.

By their nature, the complexities involved in setting up an EGTC can seem off-putting: but once set in motion the obstacles to cross-border co-operation, such as differing legal systems, administrative structures and cultures, are removed as the group operates under one umbrella, to one standard set of regulations. This integrated approach gives the participants a legally recognised platform for the coordination of different tiers and forms of administration, committing them to a binding, legal structure. They have the size, the political commitment, the resources and, importantly, can exploit existing know-how to develop and implement territorial strategies, based on effective needs assessment.

An EGTC in the making

Transnational co-operation between regions is very much alive between Galicia, Spain, and the north of Portugal, as the Eixo Atlántico testifies.

Made up of 34 cities in Galicia and northern Portugal, Eixo Atlántico started in 1992, originally as a means to consolidate the regions’ funding applications under INTERREG. This brief widened rapidly, to include the promotion of the political debate on cross-border strategies for sustainable development.

Although the journey has had its bumpy moments – the absence of a cross-border legal framework, prior to EGTC, meant other administrative levels felt the group was moving in on their scope of activity – the regional grouping has been successful. Their 15th anniversary finds them within their budget, involved in the setting up of an EGTC, and running strategies such as the Local Digital Agenda i2020, boosting new technologies, and the Studies Service which enables researchers to network.

Report from the conference on Territorial Cohesion, Paris



Territorial Cohesion – we think we want it, but we’re not sure what it is

Are co-operation and competition mutually exclusive? Should Cohesion Funding go to supporting territories that are lagging behind in terms of GDP or should they go to furthering poles of excellence? Just how useful is GDP as an indicator? Just some of the questions being asked at the conference on Territorial Cohesion and the Future of the Cohesion Policy. Held in Paris, from 30 to 31 October, the event attracted over a thousand delegates from a variety of Member States and speakers from the fields of policymaking, academia and science. Panorama attended the conference and reports back from Paris on the topics for debate, the concurrent workshops and the round-table summing up.

As speakers agreed, the concept of Territorial Cohesion is not easy to grasp, which makes the debate all the more necessary. There is a pressing need for consensus on what the idea represents and how to go about making the notion work in concrete, practical terms, given the place the term holds in the Lisbon Treaty. Although unratified

at the moment, speakers were unanimous in their hopes that the Treaty will be signed, which would make it necessary to establish a definition and long-term vision for the notion of Territorial Cohesion.

Launching the conference, Hubert Falco, the French Secretary of State for Spatial Planning, underlined the need for a wider debate, including those actively involved and any members of the public who feel they have something to say. “This conference is an indication of our willingness to engage in dialogue from local to European level, and I will take along the synthesis of the exchanges today and tomorrow to the meeting of ministers in Marseille from 25 to 26 November,” he explained, as he opened the event. Public consultation will run until the end of February.

The last day started with a summing up of the conclusions gathered from the various workshops and offered speakers the chance to answer questions from the floor. A final round table focused specifically on the future of Cohesion Policy with thoughts from Commissioner for Regional Affairs, Danuta Hübner, Pierre Dartout (Interministerial Delegate for Spatial Planning and Competitiveness of Territories, France), and the Organisation for Economic Co-operation and Development (OECD) Deputy Director for Public Governance and Territorial Development, Mario Pezzini, amongst others.

Launching the debate, ‘opening Pandora’s box’

The effect of globalisation on what we can now recognise as fragile financial markets, climate change, demographic trends – all underline the need for adaptation to the situation unfolding in each of the regions around the EU.

Gathering in the main conference hall, delegates heard a fairly unanimous assessment of what should be avoided, what Territorial Cohesion should not be: the funds are not to be considered as compensation, repairing the damage done by badly thought through sectoral policies, **“Every stage of sectoral policymaking must take the territory into account or we will be wasting our time,”** said Michel Delebarre, Vice-President of the Committee of the Regions. He described the committee as adamant that Territorial Cohesion must not be a tool kit, repairing the damage caused by problems arising from the implementation of other policies.

Speakers had various ideas on what cohesion should be and how to achieve its goals, but all agreed the debate was a crucial, if complex one, which needed to answer questions such as: Territorial Cohesion, yes or no? To finance what and for whom? Integrated or sectoral policies? What is the role of multilevel governance? Where does Territorial Cohesion fit into other policies? Likening the launch of such a debate to the opening of Pandora’s box, Jan Olbrycht, member of the REGI Commission of the European Parliament, made it clear that however contentious, the subject needed to be aired and clarified. “The debate was good for state building and is a learning process for good governance in the newer Member States,” he said.



Cohesion and the common agricultural policy

Half of Europe is predominantly rural, home to around 20 % of the population: central and eastern Europe are characterised by a higher share of rural areas which are having to face the challenges of migration and modernisation at the same time.

The way rural areas are used is changing, their function varying between Member States often as a result of geography or national policy. **One thing holds true throughout the EU, rural regions display the greatest variations in GDP per capita.**

According to Commission forecasts, five million farm jobs will be lost by 2014. However, from an economical perspective, rural regions should not be systematically considered as in decline. A sample of the points discussed:

- The CAP has an undeniable territorial dimension, particularly when one considers the Less Favoured Areas status, agro-environmental measures, Leader and various types of production be strongly linked to geography.

Arising questions:

That being the case should the territorial dimension of the CAP be reinforced? Should the CAP contribute towards cohesion? Should policymakers refer to territorial impact studies?

- Rural areas face multiple challenges, some of which are at the heart of the CAP and Cohesion Policies. Complications experienced by the Member States are probable due in part to an unclear distribution of the objectives and scope between Cohesion and Rural Development policies.

Arising questions:

Should the Cohesion Policy measures that contribute to the development of rural territories be assessed? Should there be one European policy solely devoted to rural issues? Should the management of regional funds be reassessed? How can multi-sectoral and multilevel governance be ensured?



Sustainable development

One of the major challenges Europe faces today is the implantation of an economic system that combines competitiveness, carbon restrictions and security of energy. The promotion of renewable energies implies a significant shift from relatively marginal to mass production. The challenge for the Cohesion Policy is to reconcile the objectives of the Lisbon Strategy with its emphasis on growth and jobs with that of the Gothenburg Strategy, which focuses on sustainable development.

The emissions trading scheme, promotion of renewables, improving energy efficiency and CO₂ capture and storage techniques will all contribute to the control of gas emissions. **Member States clearly wish territorial factors at national level to be considered in the definition of the objectives requested from each of them.**

There is no doubt that the change in climate and the impact that it has will vary from region to region and the territories' capacity to address that will be determined by their geography and the strategic and historic choices in terms of spatial planning, energy policies and economic development.

Arising questions:

Why should diversity and the potential of the territories be considered as important conditions in the fight against climate change?

Is the intervention of public authorities at community, national and local level decisive in the fight against climate change?

To what extent does the success of territorial strategies for sustainable development depend on integrating the Gothenburg and Lisbon strategies?



Territorial Cohesion and Governance

Panorama attended the workshop on governance, where one of the key points to emerge was the difficulty in defining territory: administrative territory as units of government or the land itself? If the land itself, then including the people living on it or not? And governance also carries different meanings in different Member States, “Why aren’t there university courses on governance?” asked Jean Marie Beaupuy, a French MEP.

Co-operation was discussed, both between different levels of governance and between territories. As Beaupuy sees it, governance is best when it involves both institutional governance, which is obligatory, and partnership based governance, involving voluntary organisations which go beyond the requirements of administration in their response to the needs of the citizen.

“This kind of co-operation can identify the subject, diagnose the problem, adopt a plan of action and carry out the actions,” he said, adding that the principal difficulty is not the cash needed, it’s human nature, **“there is a need to make people understand that sharing power is not a threat.”**

The perceived threat of border regions establishing co-operating, interactive groups is holding back some Member States. But the conference heard how cross-border co-operation between regions, in the form of European Grouping of Territorial Co-operation (EGTC), can go a long way to realising mutual goals.

Speaking about the EU’s Baltic Sea Strategy, **Colin Wolfe, DG REGIO’s head of territorial co-operation**, summed up the feeling on the stage, **“Cohesion is about overcoming distance, division and inequality.”**

Arising questions:

Should there be a Council of Ministers for territorial development at European level?

How should the coherence of EU policies with a territorial impact be promoted to support sustainable development at national and regional levels?

How can trans-European co-operation be strengthened to facilitate connectivity and territorial integration?



How Territorial Cohesion fits into the Lisbon Process

The fourth report on Cohesion showed there was a growing risk of territorial imbalance arising from the concentration of growth, innovation and production in the most dynamic regions of the Union. This underlines the necessity of taking into account the way the Lisbon Strategy impacts different territories and their potential to take advantage of the strategy.

Most agree there needs to be more awareness of territorial diversity and a closer look at the scale by which territories are

measured and defined when establishing the objectives and implementing the Lisbon Strategy.

Territorial co-operation accelerates the diffusion and transfer of good practice and the Cohesion Policy as a whole, with its objectives and tools, significantly supports the Lisbon Strategy.

Arising questions:

If the balanced spread of economic activity is the essence of economic, social and Territorial Cohesion, what is the role of public authorities in ensuring that opportunities to exploit the potential of all of Europe’s territories are fully exploited?

Can Territorial Cohesion help the EU achieve its growth and employment targets?

What innovation policies need to be put in place in order to avoid a technological divide between territories with potential and those which are less advanced?

Do you think tailor-made, regional innovation strategies based on specific diagnosis of strengths and weaknesses, and on local partnerships, should become standard for Regional Policy?

Where do we go from here?

The final session explored more questions than answers, raising more issues than resolutions, but the questions were targeted and issues more defined. REGIO's Deputy Director-General Katherina Maternova's opening comment the day before, that "the concept of **Territorial Cohesion is hard to grasp but is filling with more and more meaning**", seemed to be borne out.

Although the Lisbon Treaty in which the notion of Territorial Cohesion is enshrined, is not ratified, the conference made it clear that the subject is buzzing with no shortage of opinions and concerns: how far will territorial co-operation eat into the power of Member States? "If Territorial Cohesion and an appreciation of the territories' individual characteristics should be taken into consideration in the planning of every policy at every level, how can that actually be done? "Place-based", "better indicators", "a closer look at the map", "the funds not to be considered as a first aid kit", "co-operation and competition hand in hand": There's no doubt the subject is going to be at the centre of many more debates and the Commission's Green Paper and subsequent public consultation is timely.



Borders are not a barrier to Territorial Cohesion.

So where are we now? Arguing that now is not the time to formulate guidelines and regulations, Andreas Faludi, Professor of Spatial Policy Systems at Delft Technical University, urged for the continuation of 'pragmatic policy planning' with systematic impact assessments being carried out by transnational and subnational review panels and the vigorous pursuit of Cohesion Policies at all levels.

Defining the word 'territory' is tricky: the word is related on one hand, to the idea of nation states, countries are not countries without territory – on the other, territories are now emerging as products of human intention, "there is a conflict between the two notions" explained Faludi, adding that it is very difficult for Member States to give away their competences to transnational groups.

While Member States may find it difficult to believe co-operation between regions can improve competitiveness and the lives of their citizens, for those policymakers already convinced, the problem is rather how to assess the impact they are having on the ground. The most frequently used indicator, GDP, is not capable of describing the situation in fine enough detail. As Maternova explained, indicators may have normative or descriptive functions; in the first category, GDP is and will remain central, because of its robustness; in the second category, the Commission is working with Eurostat to improve understanding of the dynamics.

Whatever they come up with will not please everyone, "Indicators are a real problem because every Member State tries to work out what is in it for them", said Faludi.

As Commissioner Hübner explained: “You see an internal market structured for competitiveness and the stable, macro economic framework of the euro area. And then you have Cohesion Policy, respecting socio-economic harmony and cherishing solidarity. **We need this one Cohesion Policy answerable to all societies, territories and regions. One currency, one market, one Cohesion Policy.**”



Credit crunch casts its shadow

Although far from anyone’s imagination when the conference was planned, the chaos on the financial markets could put thousands of innovation projects at risk throughout Europe, along with having a dramatic impact on jobs and business.

Michael Ralph, spokesperson for Vladimir Spidla, the Commissioner for Employment, Social Affairs and Equal Opportunities, voiced the fear that the crisis might put into doubt what has been achieved under the Lisbon Strategy. “Social funds can and must be used to stimulate our workers and companies – it is essential for future growth. **We must always remember it is the weakest who suffer most in a recession.**”

The threat of a vicious circle was outlined by Alain Rousset, President of the Association of the French regions at the pre-conference, kick-off meeting with the press. He called for short-term funding to get businesses and research institutes in the EU through the next year or two, “Concerning today, the impact and duration of the financial crisis must be minimised. We risk holding up credit investment because the work on innovation is held up because credit has dried up.” He fears if public credit isn’t substantial enough the banks won’t step in.

Commission delegates assured the conference financial measures were being put in place to ease the situation for Member States.

And the opinion from the floor?



“This was a very well organised and interesting conference with dynamic contributions from the speakers. Although the key points are now more clear it would have been interesting to have heard from those who disagree with the notion of cohesion and its territorial dimension. It would be interesting to make the debate more robust.”

Concha Játiva Sevilla – Involved in Regional Policy at the Directorate-General for Economy of the provincial government of Valencia

What does territory mean to you?

IT
Territorio – governed land with boundaries

DE
Gebiet – space
Territorium – land and the people on it

FI
Alue – area

FR
Territoire – land and the people on it

EN
Territory – possessed land, what someone owns
Terrain – stretch of land with particular regard to its physical features

EL
Έδαφος – soil; stretch of land, area

REGIO agenda

Dates	Event	Place
5–6 February 2009	Stakeholder conference EU strategy for the Baltic Sea Region http://ec.europa.eu/regional_policy/cooperation/baltic/events_en.htm	Rostock (DE)
9–13 February	European Commission's Directorate-General for Energy and Transport, the European Institutions and major stakeholders concerned with sustainable energy are together putting on the third edition of the EU Sustainable Energy Week (EUSEW) http://www.fedarene.org/events/Fedarene_events/Eusew_2009/Eusew2009_events.htm	Brussels and other cities across Europe
End of February	Public consultation period on Green Paper on The Future of Territorial Cohesion ends – analysis of results of consultation due out late Spring	
21–24 June	ISPIM Conference – The Future of Innovation organised by ISPIM, hosted by the Austrian Federal Economic Chamber and supported by DANUBE – European Programmes for Training, Research and Technology and Ratio Strategy & Innovation Consulting http://conference.ispim.org/	Vienna (AU)
25–29 August	49 th Annual Congress of the European Regional Science Association http://www.ersa.org/spip.php?rubrique2	Łódź (PL)

Make your voice heard

The consultation process for the Green Paper on Territorial Cohesion will draw to a close at the end of February and the Commission is very interested in hearing what you have to say on the subject.

A web page dedicated to the consultation process offering the text of the Green Paper itself and the chance to make your voice heard can be found at the link below.

http://ec.europa.eu/regional_policy/consultation/terco/index_en.htm

For more information on how to submit your response, who to contact for more information and background papers of interest, take a look at:

http://ec.europa.eu/regional_policy/consultation/terco/consultation_en.htm

Contributions received will be published on the Internet. It is important to read the special privacy statement, available on the site, for information on how your personal data and contribution will be dealt with.

REGIO & networks

The future of the Baltic Sea Region

The Commission invited you to comment and contribute to a draft strategy for the Baltic Sea Region through the strategy's website. A period of public consultation kicked off at the start of November and ran until the end of 2008. Contributions will be published on the Internet. The strategy will work towards making the region: environmentally sustainable, prosperous, accessible, attractive, safe and secure. The consultation document asks how funding could be best targeted, how to balance the needs of the environment with the region's development and growth and how to organise the use of the sea more rationally. Resolving these, and the other issues raised, will need as much positive input as possible – the area is uniquely complex. The countries involved include eight Member States, Norway and part of the Russian Federation. The strategy will be finalised and presented as a Communication to the Council by June 2009. At the same time, the Managing Authorities of EU Cohesion Policy programmes will meet in Sweden to link the actions set out in the strategy to the funding available from Cohesion Policy. One of the next issues of Panorama magazine will entirely be dedicated to the Baltic Sea Region. http://ec.europa.eu/regional_policy/consultation/baltic/consultation_en.htm

Eurostat regional yearbook

An overview of the latest economic, social and demographic developments in the 271 regions of the 27 EU Member States as well as the regions of the three candidate countries (Croatia, the former Yugoslav Republic of Macedonia and Turkey) and the four EFTA countries (Iceland, Liechtenstein, Norway and Switzerland) can be found in the 2008 edition of the Eurostat regional yearbook. The yearbook of the Statistical Office of the European Communities contains a rich diversity of data from different statistical fields and includes chapters on populations, urban statistics, GDP, household accounts, business structure statistics, the labour market, transport, tourism, science, technology and innovation, health, agriculture, labour costs and sectoral productivity. <http://ec.europa.eu/eurostat>

Networking for Results conference and RegioStars 2009

Under the heading 'Networking for Results' the European Commission's Regional Policy Directorate-General and other Commission services will hold the annual conference of the 'Regions for economic change' initiative on 16 and 17 February 2009, in co-operation with the Committee of the Regions. The aim of the conference is to allow the more than 500 participants, through nine workshops, to network and exchange good practices for pursuing the Lisbon Strategy for growth and jobs at a regional level. By discussing European Regional Policy and its instruments, regions can learn from each other and translate examples of good practice and governance into action through mainstream policies and programmes. Registration is possible from the beginning of December on the Inforegio website.

On the evening of 16 February, European Commissioner for Regional Policy Danuta Hübner will present the RegioStars 2009 awards to winning regional projects, with the aim of disseminating good practice in European regional development. http://ec.europa.eu/regional_policy/cooperation/interregional/ecochange/index_en.cfm

Working for the Regions – EU Regional Policy 2007–13



http://ec.europa.eu/regional_policy/sources/docgener/presenta/working2008/work_en.pdf
The ins and outs of European Regional Policy. Available in 22 languages.

Cohesion Policy 2007–13 Country factsheets



http://ec.europa.eu/regional_policy/sources/docgener/informat/info_en.htm
An overview of the national investment priorities, financial allocations and expected impact of Cohesion Policy in the 27 Member States. Available in English, French and German and the language(s) of the Member State.

Fifth Interim Report on Economic and Social Cohesion Growing regions, growing Europe



http://ec.europa.eu/regional_policy/sources/docoffic/official/reports/interim5/com_2008_371_en.pdf
Available in 22 languages.

Cohesion Policy 2007–13 Commentaries and official texts



http://ec.europa.eu/regional_policy/sources/docoffic/official/regulation/pdf/2007/publications/guide2007_en.pdf
Available in 22 languages.

The complete text of EU laws, proposals and official documents are available online at
<http://eur-lex.europa.eu/en/index.htm>

Online

http://ec.europa.eu/regional_policy/funds/recovery/

Financial crisis – the response from European Cohesion Policy. To find out how Cohesion Policy contributes to the European Commission economic recovery plan, consult the new section on the Inforegio website. On 26 November, in response to the ongoing economic crisis and slowdown in the European economy, the European Commission presented a wide-ranging recovery plan for Europe. European Cohesion Policy is making a considerable contribution to this plan. A series of measures, both legislative and non-legislative, have been taken to help speed up project implementation on the ground and inject confidence and dynamism into the European economy.



http://ec.europa.eu/regional_policy/sources/docoffic/working/regions2020/index_en.htm

REGIONS 2020: Commission report on future challenges now online

A new report, 'Regions 2020', produced by the European Commission's Directorate General for Regional Policy, provides a first prospective analysis of the likely regional impact of four of the biggest challenges facing Europe: globalisation, demographic change, climate change, and energy supply. Using a series of indicators, the report maps out the degree of vulnerability of European regions to these challenges, and examines the potential disparities that these may generate across the EU. The findings will feed into the reflection process on the future of European Cohesion Policy.



<http://www.interreg4c.eu/>

INTERREG IVC forms part of the European Territorial Co-operation Objective and aims to match experienced regions with others needing their expertise while facilitating the exchange of knowledge and best practice. The site offers calls for proposals, application packs for funding, and information on contact points near you.



<http://lisbon.cor.europa.eu/lisbon-monitoring-platform.html>

The Lisbon Monitoring Platform is a section of the Committee of the Regions website which studies the relationship between Cohesion Policy and the goals of growth and jobs enshrined in the Lisbon Strategy. It has a variety of goals which include identifying what obstacles are faced by local authorities as they implement the strategy and helping them find realistic solutions, providing local and regional authorities with an argumentative base in their national debates and monitoring how regional and local level governments are contributing to National Reform programmes over the issue of growth and jobs. The site over all offers analysis and guidance.



Public consultation needs your ideas

This issue has been given over to the analysis of the Commission's Green Paper on the future of Territorial Cohesion. If you haven't had time to read the publication then take a look at the website where you can read the paper and make your voice heard during the public consultation period. Please note that consultation will end at the end of February so if you have ideas, hopes or fears, now is your chance to express them.

http://ec.europa.eu/regional_policy/consultation/terco/index_en.htm

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