

EUROPEAN PARLIAMENT

2004



2009

Committee on Regional Development

16.10.2008

WORKING DOCUMENT

on Green Paper on territorial cohesion and the state for the debate on the future reform of Cohesion policy

Committee on Regional Development

Rapporteur: Lambert van Nistelrooij

Introduction

The aim of this working document is two-fold: first, to provide an analysis of the Green Paper on Territorial Cohesion and to bring forward some initial ideas of the rapporteur in response to this important policy paper. At this stage of the debate, this document will only raise the main issues that should be tackled in the draft report, and provide the rapporteur's initial response to those. The second aim is to create a consensus on the basic direction that this report should take by better organising the debate in the Committee on Regional Development. Your rapporteur is confident that the European Parliament will soon adopt a clear view not only of the understanding and role of territorial cohesion, but also on the future of EU regional policy.

The own-initiative report will aim at responding not only to the Green Paper on Territorial Cohesion, but also to the 5th Progress Report on Economic and Social Cohesion. The latter has already been debated in the REGI Committee in September and, therefore, its analysis will briefly be taken up at the end of this working document.

Background

In its own-initiative report on "The role of territorial cohesion in regional development" (rapporteur: Ambroise Guellec), adopted in plenary on 28 September 2005, the European Parliament urged the European Commission to proceed promptly with the publication of a "White Paper on Territorial Cohesion". At that time, this was a clear indication on the side of the European Parliament, that the concept of "territorial cohesion" would be instrumental to the future development of EU regional policy. For that reason, it needed to be properly defined. The inclusion of "territorial" alongside "economic and social" cohesion in the Lisbon Treaty (Article 3 TEU and Article 174 TEU), further consolidated this concept, which nonetheless remained somewhat unclear in its definition, methods and approach.

However, since the 90s, a general debate on territorial cohesion has already been in progress. In 1999, the European Spatial Development Perspective (ESDP) initiated a process leading up to the 2007 adoption of the "Territorial Agenda of the European Union" by the EU Ministers responsible for spatial planning and urban development. These policy documents placed great emphasis on the role that territorial cohesion would be called to play in ensuring a harmonious, sustainable development across the Union. The European Parliament responded positively to this approach in its report on the "Follow-up of the Territorial Agenda and the Leipzig Charter" (rapporteur: Gisela Kallenbach), reiterating its request for a clear definition of territorial cohesion in the forthcoming Green Paper on Territorial Cohesion.

Content of the Commission's Green Paper

The European Commission finally adopted the Green Paper on Territorial Cohesion on 6 October 2008 with the title "Turning Territorial Diversity into strength". The paper does not provide a definition of "territorial cohesion"; instead, it launches a wide consultation with regional, local authorities, associations, NGOs, civil society aimed at furthering the shared understanding of this new concept and its implications for future EU regional policy. To do

this, it provides a list of concrete questions that cover different aspects including a definition. This public consultation will be open till the end of February 2009.

According to the Green Paper, territorial cohesion is about ensuring the harmonious development of all EU territories, and about making sure that their citizens are able to make the most of the inherent features of these territories. The Green Paper suggests that diversity should actually be transformed into an asset and competitive advantage that contributes to the sustainable development of the entire EU. The main challenge is thus to help territories make the best use of their assets. For that purpose, the Green Paper acknowledges that effective solutions often require an integrated approach and cooperation between the different authorities and stakeholders involved. It also makes special reference to the need for improved governance of cohesion policy in order to make it more flexible and capable of adapting to the most appropriate scale of intervention needed.

The Green Paper focuses on the need to ensure a balanced urban-rural development and suggests means to avoid depopulation and urban sprawl. It elaborates on three key concepts, on the basis of which specific policy actions need to be developed: concentration, connection and cooperation:

- ❖ **Concentration** brings advantages such as higher productivity and creativity, but also has negative effects especially in terms of environmental costs, congestion, land prices and social exclusion. Thus, territorial cohesion is about getting a right balance between gains stemming from concentration and the need to realise territorial potential at a wider scale, in order to maximise its contribution to prosperity of the Union as a whole.
- ❖ **Connection** highlights the need to move toward an integrated Europe which offers fast and efficient access to markets, services and people. This includes transport, but also infrastructures underlying the effective functioning of the Single Market - such as those guaranteeing access to health and education, to broadband internet or to energy networks. All these connections remain unevenly distributed across the Union today.
- ❖ **Cooperation** has always been an important pillar for cohesion policy. The Green Paper argues that even more needs to be done in that respect, in order to address issues that are cross-border by nature and range from commuting to environment. This cooperation should occur at many levels and involve new partners.

The Commission also acknowledges the particular development challenges that three types of regions with specific geographical features (mountains, islands, sparsely populated areas) face, and looks at whether special policy measures are required in order to offset these problems. Finally, the Commission highlights a number of sectoral EU policies, which have a strong territorial impact (e.g. transport, energy, first pillar of CAP, employment, environmental), pointing to the importance of creating synergies between them.

Formulating the Parliament's response: initial remarks by your rapporteur

A. THE GREEN PAPER

- Adoption of a Green Paper: Your rapporteur welcomes the adoption of the Green Paper on Territorial Cohesion, as it responds to a long-standing demand of the European Parliament. Despite the fact that the Lisbon Treaty is not yet ratified and, therefore, "territorial cohesion" does not currently have a formal Treaty basis, this Green Paper provides for a first analysis of this concept that will be a key priority for the Union, alongside economic and social cohesion.
- Definition: This Green Paper, however, lacks ambition to the extent that it does not provide a concrete definition of this new concept, as originally anticipated. In concrete terms, this implies a further delay in making operational the notion of "territorial cohesion". It should be stressed that the European Parliament expects a clear definition of territorial cohesion to result from the public consultation, which will be commonly agreed, shared and understood by all stakeholders in the field of regional policy.
- Public consultation: In that sense, your rapporteur welcomes the launching of a public consultation on territorial cohesion. The success of this process is directly linked with the widest possible participation of the different stakeholders and civil society in this debate. The Members of the European Parliament should effectively contribute to promoting the Green Paper on Territorial Cohesion to the European Citizens.
- Awaiting the publication of a White Paper: The European Parliament should be firm in demanding the publication of a White Paper on Territorial Cohesion, following the end of this consultation process. Your rapporteur considers that the publication of a White Paper can only 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.
- Financial aspects: Your rapporteur agrees with excluding all references to budgetary and financial implications of territorial cohesion from the current debate. It is better to confine our analysis to the political aspects of this new objective and to reflect at a later stage on whether, how or to what extent this new concept might affect the EU budget for the post-2013 period.

B. THE CONCEPT OF TERRITORIAL COHESION

Analysing the new concept: Your rapporteur believes that territorial cohesion is a distinct concept that should provide tangible added value to economic and social cohesion. The three component parts of cohesion (economic, social and territorial) should be complementary and mutually reinforcing, maintaining however their own separate mission in a single integrated concept. Therefore, there should be no hierarchy between these objectives. The current debate should not only attempt to determine the added value of territorial cohesion, and the concrete benefits that European citizens are expected to derive from its implementation on the ground, but also to consider how this concept will be mainstreamed into future EU regional policy.

Rejecting the prospect of an asymmetric Europe: Your rapporteur feels that the harmonious development of the Union will effectively contribute to raising the competitive advantage of the EU economy. Therefore, territorial cohesion can only be interpreted as a horizontal concept that underpins the development of the Union as a whole. The challenge is to focus on more efficient instruments that can achieve this goal. The work of the European Spatial Planning Observatory Network (ESPON) is particularly important to that effect, as it attempts to present the implications of different development models on the territorial development of the EU.

Transfer benefits across the Union: This idea becomes particularly salient with regard to the creation of excellence centres across the Union that are vital to economic success, scientific discovery, technological innovation and jobs. It is important to stimulate more interaction and knowledge transfer between the centres and clusters of research and innovation and their surrounding regions. Such booming centres should provide benefits that are distributed evenly across the EU territory, in order to maximise the effect of the investments made.

Making the most of the potential of each region: There is no "one-size-fits-all development" model for the European Union, which would work equally well for all its regions. The diversity of the Union is actually its strength. It is important to determine the assets of each European region and build on those, in order to increase their competitiveness and guarantee growth and prosperity. Your rapporteur considers very important in that respect the contribution of former Finnish Prime Minister Esko Aho in a recent article he published in the Financial Times (published on 16/07/2008). Mr Aho argues that the European Union needs to focus on creating "Silicon Valley" type of clusters across the Union. It is crucial to focus resources to a few existing clusters, rather than only scattering the money far and wide, with limited chances of success. In other words, not every region has the potential or the resources to become a centre of excellence; this is not the objective that we should try to achieve. EU should limit its approach in that respect.

Enhancing the European Territorial Cooperation Objective: The undeniable European added-value of this objective has already been proven beyond any doubt. The direct involvement of regional and local authorities in the planning and implementation of the relevant programmes of cross-border, trans-national and interregional cooperation gives another positive sign to the future development of this policy objective. The importance of the cross-border dimension and the relevant operational programmes of the European Neighbourhood Policy should also be highlighted in that respect. This is a success story for the EU regional policy and it should be significantly boosted for the coming programming period.

Regions with specific geographical features: The Green Paper on Territorial Cohesion acknowledges the particular development challenges especially for three types of region: mountainous regions, island regions and sparsely populated regions. The European Parliament has long called for a comprehensive strategy that would enable these regions to offset their severe and permanent natural and demographic handicaps. Therefore, special consideration should be given to the development of those regions, in order to ensure precisely a harmonious development for the Union and achieve "territorial cohesion". However, your rapporteur would like to stress at this point that territorial cohesion

remains a horizontal concept that concerns all EU regions; it cannot be interpreted as a new policy for regions with specific geographical features.

Territorial impact of sectoral Community Policies: Your rapporteur is disappointed that the specific section of the Green Paper is confined in listing the EU policies that have a strong territorial impact, without, however, placing territorial cohesion as a priority objective or a precondition for the development of these policies. The European Parliament has on a number of occasions supported the need for an integrated approach of all EU actions and policies on the ground. In policy terms, it can be argued that this idea corresponds entirely to the need of coordinating the territorial impact of all sectoral community policies on a given territory. At the same time, however, the following observation needs to be made: by putting the accent on the territorial dimension of other sectoral EU policies, the European Parliament does not attempt to diminish the importance and autonomy of EU regional policy. On the contrary, the aim of an integrated approach is to maximise the effect of structural interventions on the ground and for the benefit of European citizens.

Territorial governance: The Green Paper looks at an improved territorial governance as the key for the successful future implementation of cohesion policy. Drawing from the conclusions of the recently adopted EP report on "Governance and partnership at national and regional levels and a basis for projects in the field of regional policy" (rapporteur: Jean Marie Beaupuy), your rapporteur will focus on the need to promote a system of multi-level governance and to determine the appropriate territorial level to which intervention would be more effective at the different stages of programme planning and implementation. Naturally, due account will be made to the importance of creating new territorial partnerships, which must be at the focus of all relevant analyses on the Green Paper.

The Green Paper on Territorial Cohesion also alludes to a number of other issues that can also be developed in this debate. For instance, the creation of indicators that will better monitor characteristics and trends in territorial cohesion, has already been a point of debate in our Committee that needs to be further elaborated.

C. FIFTH PROGRESS REPORT ON ECONOMIC AND SOCIAL COHESION

This progress report consists of two parts. The first part includes the results of the public consultation on the future of cohesion policy (which was launched after the publication of the Fourth Cohesion Report). The second part provides for an analysis of the situation and trends as regards the contribution of specific growth sectors to cohesion.

The Parliament can endorse the main conclusions of this consultation process (for which more than 100 contributions were received). They correspond entirely to the positions adopted in the EP's report on Fourth Cohesion Report (rapporteur: Ambroise Guellec). Those include the rejection of any attempt for re-nationalisation and the commitment to a single community policy, which should also be in a position to address challenges like globalisation, climate and demographic change. The report also expresses the strong belief that this policy should cover all EU regions, by representing an added value for everyone, and not just the poorest convergence regions. It also stresses the need for synergies on the ground and an integrated

approach between the different sectoral policies in order to achieve the optimal result for growth and development on the ground.

Your rapporteur would like to draw attention to one other aspect of the 5th Progress Report on Economic and Social Cohesion, which he considers to be central to the future reform of EU cohesion policy. In that report, the Commission -for the first time- makes specific reference to "Transition Regions", which are situated between "Convergence Regions" and "Competitiveness and Employment Regions". This appears to be a first attempt to deal separately with these regions that are now scattered as "phasing in" or "phasing out" regions between the two Objectives. Your rapporteur fully endorses this approach, not only because it will give a clearer status to these regions, but mainly as a recognition to the fact that a more comprehensive system of gradual transitional assistance to regions that will soon be above the 75% GDP threshold needs to be designed and put in place.

Conclusion

The current analysis should serve as a basis for the debate that will take place in the REGI Committee on the 5th of November 2008, in the presence of Commissioner Hübner. This working document does not include an exhaustive presentation of the issues raised in the Green Paper, or a complete analysis of the rapporteur's positions, which will be presented in the draft report. Your rapporteur would like to invite all Members of this Committee to participate actively in the debate and to bring forward their own ideas, views and proposals.