



Response to the Green Paper on Territorial Cohesion : Turning Territorial Diversity into Strength

Cities for Cohesion¹ welcome the opportunity to respond to the Commission's Green Paper on Territorial Cohesion.

KEY POINTS

1) Place is important and should be taken into account in the EU's decision making. The impact of new legislation is often most heavily felt in urban areas. It is at the urban level where environmental degradation has its most acute impact on the citizen, social problems are most pronounced and where the greatest opportunity for sustained and sustainable economic growth lies.

2) The resources that are available to urban areas are not commensurate with the challenges they face or the opportunities they present, in particular, limited resources should not be dissipated. We welcome the renewed concern given to the whole territory of the EU, but the EU must make the needs and opportunities of urban areas their first priority, whether an urban area is a capital city of Europe wide significance or a market town, acting as a place for growth and employment in a largely rural area.

3) As urban areas are axiomatic to achieving the Lisbon goals and the places where economic change and recovery starts, a strong urban dimension should not be treated as an option. The urban area must be a pillar of all future programmes and be included in current programmes.

4) Effective and efficient territorial cohesion must have the involvement of accountable local actors and their partners, in both planning and delivery. Where an operational programme covers a wide area, resources must be ringfenced for integrated urban development plans and their management sub-delegated to the most appropriate level. This will ensure that funding is delivered in an accountable, focused and an integrated way.

5) Traditional administrative boundaries are no longer sufficient to ensure the development of sustainable, economic, social and territorial cohesion. Developments must be seen in new settings, including macro-regions, such as the Baltic Sea, Irish Sea and Mediterranean areas. The role of cities in macro-regions should be given much greater emphasis.

¹ The Cities for Cohesion network is a platform for cities, city-regions and urban agglomerations interested in promoting a strong urban dimension in all European policy fields, so far we have concentrated our efforts on the EU's Regional Policy. 15 cities, with a population of over 27 M support this position.

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QUESTIONS FOR DEBATE

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?

As acknowledged in the introduction to the Green Paper the importance of the territorial dimension is not new.

European Spatial Development Perspective

For a start, the debate on strategic territorial planning, emerged in 1989. There was a recognition by Member States of the need to develop a long-term strategy to improve the co-ordination of public activities that had an impact on the use of the European territory. In 1993 an inter-governmental decision was taken to produce the European Spatial Development Perspective, this was finalised in 1999.

The ESDP had three broad aims : economic and social cohesion of the European Union; sustainable development; and, balanced competitiveness for the EU territory. These aims were to be pursued simultaneously.

Cohesion Report

There is also a long standing commitment to report every three years on *'the progress made towards achieving economic, social and territorial cohesion and on the manner in which the various means provided for in this Article have contributed to it'*. This report shall, if necessary, be accompanied by appropriate proposals.' In June 2008, the Commission produced what was its fourth 'Cohesion Report', meeting this Treaty obligation.

The Treaty states that Member States *'shall conduct their economic policies and shall coordinate them in such a way as, in addition, to attain the objectives ... of (economic, social and territorial cohesion)... The formulation and implementation of the Union's policies and action and the implementation of the internal market shall take into account those objectives and shall contribute to their achievement'*.

What is the most appropriate definition of territorial cohesion?

Definition

Territorial cohesion is a place based approach. It should take account of place at a local, regional, national and international level. It should respect subsidiarity and where possible ensure that decisions are taken as close to the citizen as possible. Territorial cohesion is an overarching aim of the European Union to achieve lasting

sustainable economic development in a balanced way across the EU's territory. It should be a concept that recognises that our territory is a place for economic activity, a place to live that ensures a good quality of life, a place that protects natural resources and a place that allows citizens, wherever they live in the EU, to aspire and realise their full potential.

Achieving balance

The full ramifications of European policy developments and funding instruments are realised in places, the interaction of competing demands, for example, the squaring of economic development with environmental protection, is sometimes difficult to balance in a way that is agreeable to all partners.

A commitment to territorial cohesion, should be a commitment to look at the broader picture. In some ways, measures such as the commitment to Strategic Environmental Impact Assessment and Environmental Impact Assessments have been ways that the EU has tried to take account of the environmental dimension of projects, such as transport or business parks ('Environmental Impact Assessment') or for plans, programmes and policies ('Strategic Environmental Assessment').

What additional elements would it bring to the current approach to economic and social cohesion as practiced by the European Union?

As already mentioned, we don't feel the concept of territorial cohesion has been wholly ignored. In some areas, such as the trans-European networks, there is a very strong commitment to improved connectivity across the EU's territory for both goods and people.

Rather, what does economic and social cohesion bring to territorial cohesion?

Rather than asking what territorial cohesion brings to the current approach to economic and social cohesion, it would be more appropriate to turn this question round and ask: 'what does economic and social cohesion bring to territorial cohesion?' Given the wide and over-arching definition we have suggested.

Other than legislation the EU has a number of tools to achieve economic and social cohesion. As this paper has emanated from DG Regional Policy we will look at these instruments.

The Structural Funds are managed by separate Director Generals, who have different national and, in some instances, regional interlocutors. The ability to take a coherent and integrated approach to economic development is diminished by separating training, wider investment and investment directed specifically at rural interests into three separate programmes managed nationally by different ministries and, in turn, managed separately by three different directorate generals.

The Urban Dimension

As urban areas we very much welcome the Commission's working document on 'the urban dimension of operational programmes co-financed by the European Regional Development Fund'. This demonstrates that whilst some regions have

made full use of the regulatory provisions to integrate 'urban', many have failed to do so. There is also little sign of local involvement in many operational programmes.

The EU budget and urban areas

The budget of the European Union should be primarily focused on economic development and people, or in the words of the updated Lisbon Strategy, 'growth and jobs' and the Gothenberg Strategy for sustainable development. The largest area of funding in the EU budget is the Common Agricultural Policy (CAP), this area doesn't have a proven track record in the creation of jobs and growth. By comparison, EU regional policy is carefully 'earmarked' to focus investments on the Lisbon objectives of growth and jobs.

As CAP moves away from being an allocative policy based on production, to becoming a distributive policy focused on a particular group of citizens, it becomes increasingly untenable and anachronistic. CAP could be a more important contributor to rural development, it is currently focused on such a small group of 'rural' citizens that it is both unfair to the wider community and a disservice to the wider rural community in particular. We agree that the Commission's support for 'progressive modulation' is a step in the right direction.

EU Policy developments and urban areas

Urban areas again, have a greater burden from the implementation of EU policy than other territories. The list is long and includes : air quality requirements; noise abatement; soil protection; integration of migrants; application of integrated pollution and prevention control; green procurement of vehicles; water quality; waste management; general implementation of rules linked to the internal market including state aid and public procurement rules ...

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?

Yes. The principle of subsidiarity should be adhered to, powers should only be nationalised or agreed at a European level when a common good is served. There are two primary reasons for this. The first is that local actors are more accountable to the citizen and secondly, local areas are often best placed to find appropriate solutions for their areas.

Where it is appropriate for EU action to be taken, there are two questions that must be addressed :

Firstly, have the local authorities had access to the decision making process for policies and programmes that are relevant to their remit, both its definition and its development.

Secondly, where regulation's are implemented at the local level, have those authorities been given the necessary powers to implement legislation. Is there the legal competence, but also, do they have the necessary resources and capacity.

Territorial cohesion means setting joint criteria, indicators and standards for the territory. The subsidiarity principle should be introduced through three different, complementary approaches:

- Involving the three levels of government -national, regional and local - in cohesion indicators;
- taking the local level into account in existing instruments;
- allowing local actors to be involved in the cohesion funds and policies, including their framing.

The Strategic Guidelines for the Structural Funds underline the importance of urban areas and the role of towns and cities.

– How far should the territorial scale of policy intervention vary according to the nature of the problems addressed?

This depends on the problem being addressed, this can be at a macro-regional level.

The development of the European macro regions (i.e. macro regional approach) should be utilised when preparing cohesion policy 2013+. Regional programs should also take into account strategic priorities identified on macro regions and their strategies (Baltic Sea strategy, Danube area, Alps, Mediterranean and Irish Sea regions etc.). This approach would also strengthen the so-called place based regional policy (priorities of the regional programs should be based above all on actual needs and possibilities with regard to a particular region). It should also be stressed that the role of cities as engines of the macro regions is of utmost importance. Therefore, cities should strongly be taken into account when deciding the relevance of the cities and funding allocated to them in the future programs.

– Do areas with specific geographical features require special policy measures? If so, which measures?

Topographical versus a Territorial approach

Whilst we welcome the Commission's identification of the three Cs of concentration; connectivity and cooperation as the main areas that require a European response, we have greater difficulty with the topographical approach that identifies mountainous regions, islands and sparsely populated areas. These areas undoubtedly face challenges and these should be recognised, as indeed they currently are (for example, higher intervention rates in agriculture). However, we think that by overstating the specificity of these areas –which are in any event very far from homogenous – we risk the possibility of weakening the special claim of urban areas. We believe that we should focus on the opportunities offered by territories. If urban areas are just one of a long list of territorial claims we will fail to address the needs and opportunities presented by urban areas.

Resources should not be dissipated. We welcome renewed concern given to the whole territory of the EU but the EU must give particular concern to the needs and opportunities of an increasingly urbanised Union. Whether that urban area be a capital city of global significance or a market town, acting as an economic catalyst and centre of employment in a largely rural region.

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?

The Commission should give greater recognition to urban areas for the reasons already given. The Commission should try to facilitate networking to encourage the sharing of best practice and to learn from bad experiences. Overly bureaucratic programmes should be reviewed with a focus on the end that the networks want to achieve. A partnership should be able to define their method in a way that is more productive, less process directed and more focused on the end to be achieved.

– Is there a need for new forms of territorial cooperation?

Where secretariats, such as the secretariat for North West Europe, Interreg Ivb, are proven to work well, their working method should be followed by other secretariats.

– Is there a need to develop new legislative and management tools to facilitate cooperation, including along the external borders?

There is a general need for simplification in the Structural Funds, this would apply as much to cooperation. Account must be taken of the necessary auditing procedures which have to be defined at the Community level and made clear for operators. In addition, simplification also lies in the creation of a programme that is straightforward and understandable. Regions need the flexibility to determine their development priorities and more flexibility in how they can deliver these priorities. The regulation must recognise the expertise of those working closest to Europe's citizens.

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?

Policies, whether sectoral or territorial, European or national are best coordinated at the level at which they are implemented, this is often being the local level. As many different policies come together at this level a maximum amount of flexibility is required to ensure efficient and effective implementation.

– Which sectoral policies should give more consideration to their territorial impact when being designed? What tools could be developed in this regard?

The sectoral policies that make the greatest contribution to territorial cohesion are: regional, social, environmental, transport and ICT policy, competition, energy, research, the ENPI and agricultural policy.

– How can the coherence of territorial policies be strengthened?

Responsibility for taking an over-arching look at the impact of different policy fields when a new policy is developed, should be given to a department within the Commission. That department should, over a period of time, assess the current acquis and whether there are objectives that place too much of a burden on local actors.

– How can Community and national policies be better combined to contribute to territorial cohesion?

Consultation with local and regional actors on policy should begin before regulations or directives are drafted. Policy makers would write better documents if they were more cognisant of the issues for local partners or business.

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?

We would place an emphasis on the role of locally elected representatives, Ultimately, they are the people who are accountable to their local communities. However, the views of those who are clearly under represented in the body of elected officials should be given special consideration. Women with small children, the disabled and ethnic minorities are some examples of groups that could play a greater role in designing more effective policies that serve the whole community. Trade unions and business should also be involved in local decisions, again a good understanding of the economic impact of decisions can only serve decision makers in making the right decisions for their communities.

We would suggest two different spaces for debate, the stakeholders outside of the public sector and the political actors that constitute public authorities.

– How can the desired level of participation be achieved?

The desired level of participation can be improved through more effectively communicated, transparent and accessible decision making tools. This could include eGovernment, but could also be assisted through more basic rules of effective communication like the use of clear and simple language and the avoidance of jargon.

6. Improving understanding of territorial cohesion

– What quantitative/qualitative indicators should be developed at EU level to monitor characteristics and trends in territorial cohesion?

The indicators used for economic and social cohesion, principally GDP, are often a fairly crude measurement of the performance of an economy and the well being of an area.

Territorial cohesion indicators should be both qualitative and quantitative, not just did the project/policy meet its obligation to perform an SEIA or SEA take place : who was consulted? Were all relevant 'stakeholders' involved? Did they feel that the information presented was clear and understandable? Did they think that they had the opportunity to comment and potentially influence discussions? Did consultees feel that alternatives were given adequate consideration?

We feel that the Commission's work on Structural Indicators and Urban Indicators could be used to greater effect. The Structural Indicators were identified in 2000 and are aimed at providing an objective assessment of the progress made towards the Lisbon objectives. There are a number of headings linked to the Lisbon objectives, they include innovation and environmental headings. These indicators aim to be timely, technically sound, not too burdensome for national statistical offices, relevant and comparable.

The nomenclature units of territorial statistics (NUTS) are used at NUTS 1 or NUTS 2 level to decide the boundaries of operational programmes. As these units vary widely we have a system that will allow an operational programme at a NUTS 2 level covering say a city region of 1,5 million people in one country, but won't allow similar autonomy for a city-region that is NUTS 2 and has twice the population. This produces very inconsistent levels of governance and accountability across Structural Funds programmes.