



Committee of the Regions

COTER-IV-020

**78th plenary session
12 and 13 February 2009**

**OPINION
of the Committee of the Regions
on the
GREEN PAPER ON TERRITORIAL COHESION**

THE COMMITTEE OF THE REGIONS:

- Points out that territorial cohesion will become a cross-cutting EU political objective, supplementing economic and social cohesion;
- Asserts that this objective aims to provide each EU region with access to infrastructure and SGEI to improve Europeans' living standards, requiring the implementation of mechanisms capable of guaranteeing harmonious Community-wide development;
- Feels that regional policy must be revised in light of this new objective without being re-nationalised, redirecting it towards a fair balance between spending to boost competitiveness and spending to reduce territorial disparities; therefore asks the Commission to assess the earmarking operation;
- Recommends that new indicators be designed allowing territorial disparities to be better taken into account in all public policies;
- Calls for additional resources to be allocated to the three aspects of territorial cooperation, owing to its undeniable contribution to European integration;
- Feels that the objective of territorial cohesion presupposes that sectoral policies and cohesion policy will be made consistent, taking account of the territorial impact of all sectoral policies from their inception;
- Recalls the importance of SGI and SGEI as channels for territorial cohesion, and regrets that the impact of Community policies on these services is neither studied upstream of the Commission's legislative proposals nor assessed downstream;
- Feels that good territorial government is the cornerstone to achieving this objective and underlines the need to improve this government by boosting the partnership with local and regional authorities, according to the precepts of multi-level government.

Rapporteur:

Jean-Yves Le Drian (PES/FR), President of the Brittany Regional Council

Reference document

Communication from the Commission to the Council, the European Parliament, the Committee of the Regions and the European Economic and Social Committee - Green Paper on Territorial Cohesion. Turning territorial diversity into strength
COM(2008) 616 final

I. POLITICAL RECOMMENDATIONS

THE COMMITTEE OF THE REGIONS

General remarks on the proposals in the Commission's Green Paper

1. welcomes the adoption of the Green Paper on Territorial Cohesion by the European Commission on 6 October 2008, launching a major debate at European level on this concept which will become a cross-cutting political objective of the European Union¹, alongside economic and social cohesion, in accordance with the treaty currently being ratified (TEU Art. 3);
2. believes that the scope of territorial cohesion should be defined more precisely; suggests that the Commission should take the three dimensions set out in the Third Cohesion Report as the basis for defining territorial cohesion, firstly through reform, i.e. "reducing existing disparities", secondly through prevention, "by making (...) sectoral policies which have a spatial impact (...) more coherent", and thirdly through incentives by improving "territorial integration" and encouraging "cooperation between regions";
3. considers that territorial cohesion should incorporate the maritime dimension;
4. believes that it will be necessary in future to move beyond the questions posed by the Commission in the Green Paper in order to do justice to the political scope of the concept of territorial cohesion at Community level; supports the proposal to step up cooperation between the various authorities and stakeholders involved; agrees that the concept of territorial cohesion forges a link between economic efficiency, social cohesion and environmental balance by placing sustainable development centre stage when policy measures are drawn up, taking the territorial features of the individual regions as the starting point;
5. calls on the Commission to produce a White Paper, following the period of consultation - which should establish the concept of territorial cohesion and its goals more clearly - at EU level, by conducting a territorial impact assessment for all Community Policies;

Founding principles of a new political objective for the European Union

6. recalls that in its opinion on the fourth cohesion report it had called for territorial cohesion matters to be given greater consideration under the cohesion policy in future², without neglecting economic and social cohesion, which is an important Community objective for reducing disparities;

¹ As called for in the own-initiative opinion CdR 388/2002 fin on Territorial Cohesion (rapporteur: Malcarcel Siso).

² See opinion CdR 97/2007 fin on the Fourth Cohesion Report (rapporteur: Michael Schneider).

7. underlines the importance of territorial cohesion as a political objective alongside economic and social cohesion, broadening the Community's capacity to strengthen solidarity in the European Union and make an effective contribution to sustainable development, while respecting the principle of subsidiarity and the division of competences among the different levels of government;
8. stresses that the objective of territorial cohesion must be applied throughout the European area, i.e. to all regions of the European Union, without undermining the priorities defined within the framework of the regional policy and Structural Fund measures;
9. calls on the Commission to extend its research to develop relevant indicators (where necessary, at sub-regional level) for the particular socio-economic problems facing specific types of region, in particular but not exclusively mountains, islands, areas with low population density and border areas, as well as the outermost regions (OR), whose specific situation is recalled in TEC Articles 158 and 299 respectively, with a view to highlighting their individual advantages and disadvantages;
10. calls on the Commission to significantly improve statistical data and its cartographic representation so as to reflect the real situation;
11. affirms that territorial cohesion aims to give each Community territory access to infrastructure and services of general economic interest in order to help citizens enjoy better living conditions in line with 21st century European standards, acknowledging that access is not only geographically dependent, but is also determined by connectivity, availability and quality of infrastructure and service;
12. considers that the notion of territorial cohesion is based on the principle of solidarity which requires mechanisms to ensure harmonious development of the Community as a whole and to reduce disparities between the levels of development of the various territories;
13. recalls that the most recent cohesion reports highlight a trend towards worsening territorial disparities between European regions, as well as at sub-regional level. These disparities are characterised by phenomena such as spatial segregation, which has led to certain forms of ghettoisation as well as the decline of some remote areas. They make it necessary, now more than ever, to make territorial cohesion a cross-cutting objective of the European Union;
14. believes that this is made all the more urgent by the additional costs generated by the lack of territorial cohesion in Europe: additional environmental costs due mainly to congested urban areas and climate change; additional social costs created by the spatial concentration of social problems; finally, the lack of territorial cohesion prevents the European single market from functioning smoothly by reducing some territories' access to the freedoms enshrined in the Treaties;

15. proposes that territorial cohesion be made a cornerstone of the EU's strategy for tackling the current financial and economic crisis; accordingly, given the complexity of the challenges that lie ahead over the coming years, calls for budgetary resources to be at least maintained at current levels, if not bolstered;
16. is opposed to any initiative that, using the present situation or any other factor as a pretext, seeks to renationalise cohesion policy, albeit partially or surreptitiously;

Towards a revised regional policy, in support of territorial cohesion

17. believes that the objective of territorial cohesion complements that of economic and social cohesion and that these three forms of cohesion must be mutually reinforcing; this means that the objective of economic, social and territorial cohesion should be taken into account in all common policies having a territorial impact, particularly the regional policy; calls on the Commission to develop models for sectoral integration at regional level which strengthens territorial cohesion;
18. invites the Commission to carry out an assessment of the contribution of the Lisbon and Gothenburg strategies to territorial cohesion, as part of the earmarking operation for the 2007-2013 Structural Funds;
19. proposes that the Commission alter its strategic objectives to take account of goals for territorial cohesion alongside those for economic and social cohesion for the 2014-2020 period; in this connection, calls for the regional policy to find the right balance between spending on competitiveness to boost economic growth in a globalised environment, and spending to reduce disparities between territories, in order to meet cohesion objectives;
20. recommends that new tools and specifically indicators be developed to meet the requirements of implementing territorial cohesion³, not least by means of sub-regional analyses. In order to develop suitable regional strategies and policy responses, appropriate instruments are needed to take account of territorial disparities in public policies (for example, disposable income per capita to take account of transfers in addition to GDP per capita, tax revenues and accessibility of different services (transport, energy distribution, health, education), demographic structure and population settlement patterns (data on population dispersal, degree of ageing and dependency rates), or even the creation of composite human development indices⁴);

³ With reference to opinion CdR 97/2007 fin on the Fourth Cohesion Report (rapporteur: Michael Schneider).

⁴ With reference to the methodology developed by UNDP.

Territorial cooperation

21. recalls the undeniable added European value of territorial cooperation, and its contribution to the objective of territorial cohesion; in this connection, calls for a substantial increase in the overall EU budget to allow for extra financial resources to be allocated to this aspect of the regional policy, so that it may extend beyond exchanges of good practice; but this should not be done at the expense of the other two EU Cohesion Objectives;
22. calls on the Commission to make better use of new strategic opportunities opened up by cooperation at the Euroregions level, which is a perfectly suitable strategic level of governance and action for resolving territorial cohesion issues; recalls that the EGTC⁵, by putting in place a European cooperation structure, linked to cross-border, transnational and interregional projects, promotes effective cooperation in a broad range of activities, and strengthens neighbourhood relations, brings peoples closer together, and promotes knowledge transfer and the exchange of good practice;

Cross-border cooperation

23. stresses the specific role of cross-border cooperation in European integration and the key outcomes of this process: reduction of screen effects at the EU's internal borders, change in the role of external borders (joint approach, combating illegal immigration and trafficking, support to develop border areas of third countries neighbouring the EU), and support in transforming external borders into internal borders with the accession of new Member States;
24. invites the Commission to continue its efforts to simplify and improve the way in which cross-border programmes are managed, for example by establishing shared allocations on both sides of the border, and supports the Commission's plan to assess the way in which the EGTC is implemented;

Transnational cooperation

25. recommends promoting this cooperation in relevant territories (for example, sea and river basins, or upland regions), so that territorial integration can be improved and regional and sub-regional differences can be reduced and in order to deal effectively with problems of environmental protection, tackling pollution and improving transport networks, in the framework of joint spatial planning strategies, but this should respect the role and competences of existing public bodies and the strategic cohesion priorities within a given region;
26. believes that strategic approaches such as the development of macro-regions (e.g. the future EU Baltic Sea Region Strategy), should be encouraged; at the transnational level of sea

⁵ With reference to opinion CdR 308/2007 fin on the EGTC: a new impetus for territorial cooperation in Europe (rapporteur: Mercedes Bresso).

basins, frameworks for innovative governance should be introduced, in order to promote the integrated maritime policy that has just been adopted by the EU and to achieve greater coherence between Community action within the EU and the third countries concerned;

Interregional cooperation

27. stresses the importance of interregional cooperation (which is not mentioned in the European Commission Green Paper) since it is a remarkable instrument for exchanging experience and best practice between non-adjacent regions sharing complementary development projects; wishes, nevertheless, that in future the instrument of interregional cooperation be better adapted to the needs of local and regional authorities, by means of greater flexibility in the choice of areas of cooperation;

Territorial cooperation outside the EU

28. underlines the need to better coordinate territorial cooperation measures with the external aspect of this cooperation, i.e. with the Russian Federation and neighbouring countries of the outermost regions - countries eligible for membership of the European neighbourhood policy (ENP), and with an eye to EU enlargement (Western Balkans and Turkey);

Ensuring consistency between Community public policies in connection with territorial cohesion

29. believes that the objective of territorial cohesion should be applied to all Community policies. Sectoral policies and the regional policy should complement each other still further, ensuring that they are consistent with each other, whether they are regulatory in nature or concerned with funding;
30. finds it regrettable in this connection that Community policies are too often drawn up and implemented without proper consideration of their territorial impact, which presents local and regional authorities with the negative effects of these policies (job losses, environmental damage, additional congestion or depopulation);
31. recalls the value of spatial planning, as a set of techniques pursuing the harmonious arrangement of the various territorial uses and activities, in order to guarantee consistency between Community public policies and the objectives of territorial cohesion;
32. recognises that some of these problems have been overcome using measures under the Community's regional policy, notably within its programmes of assistance for economic change (restructuring of industry, rural development in the context of CAP reform);
33. regrets the degree of incoherence between RTDI policies and territorial cohesion and underlines the need for a greater territorialisation of EU and national research and innovation policies;

34. considers, by analogy with the horizontal social clause in the Lisbon Treaty, that taking into account the territorial impact of sectoral policies is necessary from the moment they are conceived (*looking at the map **before** implementing policies*), in order to anticipate their territorial effect;
35. highlights the fact that trans-European transport, energy and telecommunications networks are extremely important in achieving the goal of territorial cohesion and urges the Commission to focus on these networks in particular;
36. stresses in particular the need for consistency between Community public policies in the areas at the interface between land and sea;

The Common Agricultural Policy (CAP)

37. believes that the CAP, which has a significant territorial impact, must contribute more to territorial cohesion rather than increasing disparities between regions, by anticipating the territorial effects of the future reforms with a view to limiting the negative impact, and by providing for adjustment measures for territories that could be affected adversely by these reforms;
38. recommends that rural development measures (2nd pillar) under the CAP be better coordinated with the regional policy, in order to ensure greater consistency between rural and urban development with the final goal to achieve as much simplification and synergies between both policies as technically and politically possible in the post 2013 programmes;

Common Transport Policy

39. considers that, as the common transport policy develops and has an impact on climate change, its special importance for regions whose accessibility depends exclusively on certain modes of transport, particularly air transport, must not be overlooked;
40. proposes that the forthcoming overhaul of trans-European Transport Network focuses in particular on ensuring regional accessibility, on the basis of appropriate standards; with integration into urban transport networks, thus greatly adding to overall connectivity and cohesion;

The environment

41. believes that the sensitive question of climate change does not present itself in the same way in all regions (e.g. vis-à-vis the Community system for trading greenhouse gas emission quotas, managing coastal zones, etc.);

Proposals on the territorial impact of development of services of general interest (SGI) and services of general economic interest (SGEI)

42. recalls the importance of SGEIs as true channels of territorial cohesion, as mentioned in the primary Community law (TEC Art 16) and regrets in this connection that the territorial impact of Community policies on services of general interest (SGI) and specifically services of general economic interest (SGEIs) is not analysed before legislative proposals are put forward by the Commission or evaluated subsequently;
43. underlines the risk of the internal market becoming fragmented if the public do not have access to local services, despite the objective to maintain a universal service;
44. supports maintaining universal access to these services within the framework of traditional public service obligations, in the name of equal treatment and as a condition for the integration of regions into the global economy;
45. calls, in accordance with the subsidiarity principle enshrined in the Treaty as well as with the Protocol on Services of General Interest from the draft Lisbon Treaty, for the right and freedom of local and regional authorities, in their capacity as suppliers, administrators and users of services of general economic interest, to make provisions in that area to be maintained;
46. reiterates the need to ensure legal security for local and regional authorities as providers, managers and beneficiaries of SGEI; for this to happen, it is necessary for the compatibility of their specific features, with respect to public procurement and state aid law, to be acknowledged within relevant Community frameworks;

Proposals for improving territorial governance

47. stresses that since action by several levels of government in a single territory has different and occasionally contradictory effects, there is a need to improve the quality of governance, particularly the territorial dimension, as close to the citizen as possible in order to remedy the lack of integration of public policies; this new system of territorial governance is the key to meeting the objective of territorial cohesion;
48. believes that the Commission should identify instruments to facilitate vertical cooperation between different tiers of government, beyond the existing institutional relations;
49. recalls that the objective of territorial cohesion must not entail changing the way competences are distributed, specifically in spatial planning, which should remain the responsibility of Member States and their local and regional authorities. However, Member State governments, especially in more centralised states, should enhance engagement with local/regional-level actors in order to improve co-ordination of national sectoral policies at regional/local levels;

50. calls for clarification of the competences of different levels of government in Member States and for the development of cross-cutting or horizontal policies and coordination functions;
51. calls for regional authorities to have greater decision-making powers in the management of the Structural Funds, considering that all EU regions should be given Management Authority status;
52. supports strengthening multi-level governance⁶ with a view to defining common strategic objectives, for example on accessibility, sustainable development and the maritime policy, with each of the participants contributing on the basis of his means, and in so doing ensuring that the partnership principle is fully applied. True multilevel governance also includes common implementation and handling;
53. recalls that in the First EU Territorial Action Programme of 23 November 2007, the relevant ministers expressed the "belief that multi-level governance is a fundamental tool for a balanced spatial development of the European Union" and expressed their intention of convening with selected stakeholders and local and regional authorities to discuss the implementation of the Territorial Agenda priorities;
54. urges the Commission to analyse more closely existing partnership practices in the EU-27, in order to build the capacity of local and regional authorities and associations of authorities to become proactive partners.

Brussels, 12 February 2009.

The President
of the
Committee of the Regions

Luc Van den Brande

The Secretary-General
of the Committee of the Regions

Gerhard Stahl

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In accordance with previous opinions of the CoR: CdR 149/2008 fin on Governance and Partnership at national, regional and project basis in the field of regional policy (rapporteur: Vladimir Kissiov) - CdR 397/2006 fin on Better Lawmaking 2005 and 2006 (rapporteur: Luc Van den Brande) – CdR 103/2001 fin on the White Paper on European Governance (rapporteur: Michel Delebarre).

II. PROCEDURE

Title	Communication from the Commission to the Council, the European Parliament, the Committee of the Regions and the European Economic and Social Committee - Green Paper on Territorial Cohesion. Turning territorial diversity into strength
References	COM(2008) 616 final
Legal basis	Art. 265 (1)
Procedural basis	
Date of Council referral/Date of Commission letter	6.10.2008
Date of the decision by the President/Bureau	7.7.2008
Commission responsible	Commission for Territorial Cohesion Policy (COTER)
Rapporteur	Jean-Yves Le Drian (PES/FR), President of Brittany Regional Council
Analysis	4.11.2008
Discussed in commission	12.12.2008
Date adopted by commission	12.12.2008
Result of the vote in commission	By a majority
Date adopted in plenary	12.2.2009
Previous Committee opinions	<p>CdR 388/2002 fin, CoR own-initiative opinion on <i>Territorial Cohesion</i></p> <p>CdR 97/2007 fin, CoR opinion on the <i>Fourth Report on Economic and Social Cohesion</i></p> <p>CdR 308/2007 fin, own-initiative opinion on the <i>EGTC: a new impetus for territorial cooperation in Europe</i></p>