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Response from CPMR North Sea Commission and Baltic Sea Commission to EU Green Paper on Territorial Cohesion

1 General Comments

Founded in 1989, the North Sea Commission (NSC) is one of six Geographical Commissions under the umbrella organisation CPMR (Conference of Peripheral Maritime Regions) whose purpose is to raise the profile of maritime and peripheral regions in Europe. The North Sea Commission was established with the aim of encouraging cooperation and partnerships between the regions around the North Sea, raising the profile of the North Sea region and promoting it as a major economic basin. Currently the NSC has 36 individual members from 7 countries (Denmark, France, Germany, Netherlands, Norway, Sweden, and the UK).

The North Sea region is diverse and characterised by mountain regions, islands, sparsely populated areas, and cities, while also being rich in natural resources. We believe that territorial cohesion should acknowledge territorial attributes and enable all parts of the EU to exploit their potential and make a positive contribution to the EU's sustainable development. While the Green Paper acknowledges that regions and their territorial aspects are important, additionally, dynamism at all levels is important and needs to be taken into account.

The Baltic Sea Commission (BSC) is another CPMR Geographical Commission with 30 member regions around the Baltic Sea and in the Northern parts of Norway. Among the members are islands, mountainous regions and some of Europe's most sparsely populated regions situated in the north of Scandinavia.

The BSC was established to work for a sustainable society with the aim of promoting democracy, exchanges, co-operation and solidarity between the coastal zones and islands of the Baltic Sea including the regions of the non-EU countries.

The NSC/BSC is strongly in favour of a territorial dimension to cohesion policy and welcomes the Commission's consultation which gives an opportunity to contribute to the development of the concept of territorial cohesion. The NSC/BSC see the Green Paper as a significant opportunity to improve the effectiveness of EU, national and local policy making through taking account of territorial features and needs and look forward to the outcomes of the consultation.

In summary, NSC/BSC would like to highlight the following key messages:

- The territorial approach is welcomed as an appropriate one to support the competitiveness of the EU's territories.
- The proposal to mainstream the territorial dimension across all EU territorial policies is a sound one. Coherence with maritime and transport policies is of particular importance to NSC/BSC members.
- A streamlined, simplified and flexible approach is necessary to ensure territorial cohesion is achieved.
- Regarding the definition of territorial cohesion, it is hoped that the subsequent White Paper will have developed a tighter definition and make concrete links between territorial cohesion and the next programming period post-2013.
- Territorial partnerships should be determined by the territorial reality, at the local and regional level, reflecting local partnerships, priorities and respecting local governance models.
- Territorial co-operation should be significantly boosted as an objective in the next programming period and enhanced by strengthened facilitation, more geographical flexibility and opportunities for cross-border investment.
- Statistical approaches are welcome to develop knowledge on the EU's territorial reality but should not be used to determine programme interventions at the territorial level.
- Climate change and its consequences are likely to be the most significant challenges on the EU's territories and needs to be at the heart of future policies and programmes to ensure the resilience of the EU.

On behalf of the North Sea Commission and Baltic Sea Commission:



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2 Contribution to the Consultation

Q1. 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?

Response:

The NSC/BSC welcomes the approach taken in the Green Paper not to propose a definition of territorial cohesion and instead seek input from stakeholders to help define an appropriate meaning and common understanding of the concept. While the wording of a definition will require careful consideration, equally important will be its interpretation and application.

It is important that within the concept there is appropriate acknowledgement of those parts of the EU which face permanent disadvantages or challenges due to their geography or peripherality. Barriers such as these make growth and cohesion particularly challenging and the ability to participate in the European economy much more difficult. Territorial cohesion should enable areas to address their specific challenges and give them the means to improve their competitiveness in the EU. Fundamentally, the NSC/BSC believes that people should not be disadvantaged because of where they live, instead policy should assist areas in making the best use of their assets and resources while maintaining their uniqueness and culture. Culture in itself contributes to territorial cohesion in the same way as other sectoral policies through its effect on patterns of settlements and the location of economic activity, and its growing importance for competitiveness and social cohesion. It plays a particularly important role in improving connections to and within less developed regions.

Territorial cohesion should recognise the positive externalities of territories and their contribution in an integrated vision of the whole of Europe. Territorial cohesion should have a focus on capitalising on the opportunities that the regions have for the benefit of the whole EU. Sustainable development should be an important principle of territorial cohesion.

Alongside economic and social cohesion, territorial cohesion will contribute towards more balanced and sustainable regional development and give formal recognition to the diversity of the EU and the unique circumstances of territories. Increased recognition of territorial characteristics will require EU policies to become much more flexible to be tailored to the specific needs of territories.

Q2. The scale and scope of territorial action

Territorial cohesion highlights the need for an integrated approach to addressing problems on an appropriate geographical scale which may require local, regional and even national authorities to cooperate.

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

Response:

The EU has a significant role to play in promoting territorial cohesion since it is a key objective of the Lisbon Treaty, if and when it is ratified by Member States. Territorial cohesion should enable all territories to contribute to the EU's economic development, therefore the EU has an important role to play in raising awareness and promoting measures to achieve it.

Territorial cohesion will require cooperation and input from stakeholders particularly at local and regional level to ensure effective implementation and enable regions to share experiences. The NSC/BSC would like to see EU policy being supportive of an integrated regional approach by regions. Therefore the principle of subsidiarity must be promoted rigorously and in many instances, this will mean a bottom up approach.

To achieve territorial cohesion requires EU policies to become more flexible to allow them to be adapted to the specific needs and geography of individual territories. There can be no "one size fits all" approach and in order for cohesion policy to be a success within the EU, there has to be input from local and regional stakeholders. Territorial cohesion should be focused and developed at regional level to link in with the regional development programmes which are addressing territorial issues. Territorial cohesion should also be taken into account in all sectoral policies, not just cohesion policy. There needs to be increased understanding within the European Commission of the impact of EU policies on the communities where they are applied.

While territorial cohesion concerns all parts of the EU, the NSC/BSC believes that areas with specific geographic features and permanent handicaps do require recognition and appropriate tools if cohesion policy is to be a success. Although the Lisbon Treaty is still awaiting ratification, the Heads of State and Government have unanimously agreed (respectively through Article III-220 and Article 158) that "particular attention shall be paid (...) to regions which suffer from severe and permanent natural or demographic handicaps". Remote and peripheral areas do face considerable challenges such as distance from core markets, higher costs for transporting goods and delivery of services, and out-migration resulting in labour shortages, all of which are barriers to growth and cohesion.

It is important to avoid strong concentrations of growth and instead promote even and sustainable growth throughout the EU. Less developed regions, small and medium sized towns, and cities all contribute to the growth and the economic strength of the EU and can play an important role in helping to meet European challenges such as climate change, sustainable development and reducing CO².

The NSC/BSC is pleased that the Green Paper acknowledges that regions with specific geographic features face particular development challenges but would like to point out that many of these regions are rich in natural resources and can make an important contribution to the sustainable development of the EU. The North Sea and Baltic Sea areas hold some of Europe's richest natural resources and exploiting such potential should be at the heart of a territorial cohesion policy.

There are issues and challenges affecting all of the territories across the EU to a greater or lesser extent. The European Union could, using territorial cohesion, be instrumental in supporting the change management which is taking place across the EU whether it is addressing climate change, changing industries or the need for more integrated global approaches. In areas undergoing traditional market decline, there should be support to invest and refocus on emerging markets. There needs to be recognition that new sectors rely on and can learn from traditional industries. For example, the new offshore renewable energy, can benefit from the experience of the traditional oil and gas and shipbuilding sector. The EU should seek to support joint industry and higher education institute research into skills gaps and the marketing of such opportunities. Investment should be made in the skills base of such sectors to make them more adaptable to competition and changing economic conditions.

Similarly the recent development of EU maritime policy has shown how the EU can take the lead dealing with issues that transcend Member State boundaries.

Q3. Better cooperation

Increased cooperation across regional and national borders raises questions of governance.

- What role should the Commission play in encouraging and supporting territorial cooperation?
- Is there a need for new forms of territorial cooperation?
- Is there a need to develop new legislative and management tools to facilitate cooperation, including along the external borders?

Response:

Territorial cooperation between areas which have similar geographical features is very beneficial to develop shared solutions to common problems. This is one of the real strengths of the NSC/BSC which encourages and promotes cooperation between regions in the NSC/BSC area. The NSC/BSC thematic working groups work well in bringing different regions together to discuss common issues and seek out solutions. Interreg programmes, such as the North Sea Programme, provide the framework for regions to co-operate and have proved to be successful in encouraging and enabling regions to tackle similar geographic and territorial issues.

The Commission plays an important role in setting the framework for territorial co-operation and the various programmes. Therefore, the NSC/BSC proposes that the Commission should continue to support territorial cooperation through the continued financing of these programmes. However as much as possible it should be the local areas concerned that steer the content and the priority activities based on a socio-economic analysis of the strengths and weaknesses facing the cross border/transnational territory concerned.

The Objective 3 territorial cooperation programmes can make a significant contribution to achieving territorial cohesion as well as specific sectoral policy goals. The NSC/BSC welcome this and would support the extension of the scope and financial resources of the Europe-wide Interregional programme to accommodate more practical actions rather than being restricted principally to the exchange of best practice. However, we would add that any expansion of the territorial cooperation programmes should not be at the expense of resources being taken away from other parts of cohesion policy.

Q4. Better coordination

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

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

Response:

If the EU is pursuing the goal of territorial cohesion and, as the Green Paper acknowledges, there are regions with specific geographic features which face particular development challenges, then it follows that policies need to be flexible enough to be tailored to suit local and regional circumstances and enable all areas to make a positive contribution to achieving territorial cohesion.

The territorial impact of new legislation and policies should be assessed at an early stage in the policy process in order to anticipate their effect/impact at local and regional level. Currently, the 'one-size-fits-all approach' does not take account of territorial circumstances nor the resulting impacts of policies on areas with particular challenges, an example being EU competition and state aid policies which can have a very significant impact on local communities. On the other hand, state aid can also be an important mechanism to provide public financial assistance to local communities, though, it is acknowledged that state aid is a difficult area. The NSC/BSC regions suggest that the primary focus should be kept on growth factors not on state aid and other financial support.

The effects on communities on all policies focusing on specific industry sectors should be taken into account. This is particularly important in sparsely populated areas and/or peripheral areas which are heavily dependent on certain sectors (eg agriculture, fisheries, manufacturing etc).

Transport policy has a significant territorial impact and could, if designed properly, contribute positively to territorial cohesion. It is of utmost importance that cohesion concerns are taken duly into account in the upcoming revision of the TEN-T guidelines. This means that priority projects/core networks (whatever option is chosen on the basis of the consultation on the TEN-T Green Paper) should also comprise connections to and within peripheral and maritime regions.

In order to promote territorial cohesion it is vital that secondary transport networks and hubs are strengthened in order to improve accessibility to peripheral areas, as well as for alleviating congestion on the most congested parts of the transport network. Stronger emphasis should be put on the cohesion objective for Motorways of the Sea (MoS) in the TEN-T guidelines with a view of drafting more concrete criteria for MoS projects in peripheral areas with weaker traffic flows and longer distances, including wider opening for participation of small and medium-sized ports (currently participation in MoS projects is restricted to Category A ports).

A relaxation of the state aid guidelines to allow for wider use of PSO's in transport services to peripheral areas would also promote territorial cohesion. Regional airports are of vital importance for the accessibility of peripheral regions, and the slot allocation rules at international hub airports should ensure that existing services to peripheral regional airports can be retained and developed, and new routes encouraged to operate.

The role of culture in supporting territorial cohesion must be explored and further analysed especially in areas of trans-sectoral or horizontal perspectives. Culture and creativity is the basis for social and technological innovation, and therefore an important driver of growth, competitiveness and jobs in the EU.

A stronger partnership incorporating all levels of governance, particularly local and regional authorities, would help ensure coherence of territorial policies. Involving key local and regional stakeholders would facilitate implementation at national level. Currently, many regional partners are working well together to implement EU policies while transnational partnerships, such as the NSC/BSC, cooperate to address specific local and regional issues.

The mainstreaming of the Lisbon dimension into regional policy in recent times has provided a useful focus on competitiveness as the driving force and ultimate aim of EU intervention. This approach more than any other will ensure the coherence of territorial and sectoral policies at a framework level. However at an operational level there are still disparities of approaches, often influenced by the varied approaches of the lead DGs of the Commission which can be a hindrance to co-ordinated action on the ground.

This trend has ameliorated in recent times but can be improved further, notably across policy fields including transport, ICT, energy, agriculture and rural development. It will only be when territorial cohesion becomes a core objective of key sectoral policies that the EU's sectoral policies will be able to work well on the ground. The separation of this debate from the budget discussions however will not allow the mainstreaming process to begin as it should.

Q5. New territorial partnerships

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

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

Response:

If territorial cohesion is to be successful then there needs to be engagement with all key stakeholders, particularly local and regional stakeholders who are dealing with the impacts of policies. Consultation and publicising of new policies and giving key stakeholders the opportunity to put forward their views will contribute to the development of stronger and more effective policies. This needs to be done in an open and transparent manner. The Commission also has a role to play in continually assessing the effectiveness of policies implemented. Established territorial partnerships such as the NSC/BSC could play a key role in this process.

The EU can help facilitate transnational partnerships and promote cooperation programmes on specific themes (eg maritime policy). This is where non EU members can also participate and help contribute to a stronger EU.

Q6. Improving understanding of territorial cohesion

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

Response:

The NSC/BSC propose that territorial cohesion must be based upon a fair assessment of territorial realities and cannot be based simply upon basic social and economic indicators. A broad range of indicators should be taken into account when considering territorial cohesion. Environmental, geographical, social and economic indicators are all appropriate indicators which should show demographic trends and give a comprehensive picture of the situation in each area of the EU. Whenever necessary, statistical levels below NUTS II areas should be used and it is important that data is collected and updated on a regular basis.

However, while indicators have an important role to play to monitor trends they are not capable of telling the whole story. Care should be taken not to rely on statistics in programme development to target geographically distinct areas, as definitions of mountain areas; sparsely populated areas etc may not be able to capture the subtlety of the EU's territory. Indeed perhaps indicators should instead be used to capture the competitiveness or potential competitiveness of the EU's varied territories. It is only local/regional intelligence that can accurately identify the actions that can maximize the potential of a local area.

Account could also be taken of natural and cultural resources and positive externalities which can demonstrate opportunities within regions.

Knowledge of the EU's territories on which to make well informed decisions however is essential to understanding the complexities of the challenges faced. Therefore the continued and enhanced investment for research for the European Spatial Planning Observatory Network (ESPON) is essential and to be welcomed. Some interesting areas of research could include regional competitiveness/potential competitiveness.