



European Commission Green Paper on Territorial Cohesion

IBEC/CBI Joint Business Council response to Commission Green Paper

February 2009

Summary

- The concept of territorial cohesion should be developed on the basis of improving the territorial competitiveness of the internal market. This involves developing Trans-European Network (TENS) projects and strengthening cross border cooperation.
- The JBC believes that the incorporation of Western Scotland as an eligible region in the Interreg IVA Programme 2007-2013 and an increased emphasis on cross border cooperation will provide scope for considerable cross border cooperation in the future.
- The EU has a crucial role to play in promoting territorial cohesion by encouraging greater cooperation between territories and better coordination across EU policies.
- The private sector has a key role to play in developing a territorial cohesion approach as funders, investors and providers. Experience in developing co-operation structures on the island of Ireland shows that the business sector can play a decisive role in terms of shaping the overall agenda in setting interregional policy and investment priorities.
- The Public-Private Partnership (PPPs) model works particularly effectively in infrastructure investment, such as energy and transport. The interest of the private sector also extends to promoting best practice and ensuring that efficiencies are achieved in terms of project delivery.
- Consideration should be given to the promotion of new financial engineering that is developed between the private sector and the EIB and EIF.
- In terms of the emerging EU co-operation mechanisms, JBC submits that a review of the European Grouping for territorial Co-operation (EGTC) should be considered with a particular focus on achieving participation in the governance of the EGTC by business organisations. In the context of the JBC's strategic links with cross-border partnerships and particularly those operating at local authority level, we would be interested in exploring, on behalf of the business sector, the extent to which the EGTC mechanism could provide the basis for a new co-operation model on the island of Ireland.

Introduction

The IBEC/CBI Joint Business Council (JBC) links IBEC and CBI Northern Ireland and is the voice of business on the island of Ireland working in collaboration with its members and strategic partners to sustain and develop economic co-operation, advance international competitiveness and maximise the potential of all of the people on the island of Ireland.

JBC welcomes the opportunity to comment on the European Commission's Green Paper on territorial cohesion. This consultation is particularly important as it is one of the first European Commission communications which launches the debate on the future shape of cohesion policy post 2013.

JBC is pleased that the Green Paper acknowledges that regions are rich in territorial diversity and face particular challenges. While territorial cohesion concerns all parts of the EU, areas with specific geographic characteristics do require appropriate recognition if cohesion policy is to be a success.

With the incorporation of Western Scotland as an eligible region in the Interreg IVA Programme 2007-2013 and an increased emphasis on cross border cooperation, JBC believes that there is considerable potential for future cooperation between these regions. From a European spatial perspective Northern Ireland, Ireland and Scotland face common problems in terms of peripherality which are complicated by the existence of land and maritime borders and dominance by 'capital regions'. The JBC is delighted that this opportunity exists and is currently working on developing a joint initiative between the partners.

Considered in the light of the Lisbon strategy for sustainable economic growth strengthening territorial cohesion implies enhancing the territorial 'capital' and potential of all EU regions and promoting territorial integration, i.e. by promoting trans-European synergies and clusters of competitive and innovative activities. Territorial cohesion adds to economic and social cohesion by translating the fundamental EU goal of balanced competitiveness and sustainable development into a territorial setting.

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

Coordination between sectoral and territorial policies is important to maximise synergies and to avoid possible conflicts. This will require the relevant Directorate Generals of the European Commission to develop policy more closely together focussed on achieving EU competitiveness.

JBC welcomes the Green Paper on territorial cohesion and sees it as a positive first step forward in the development of cohesion policy and looks forward to the outcomes of the consultation.

1. Definition

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.

Territorial cohesion should embrace the concept of improving the territorial competitiveness of the internal market.

This concept should be developed on the basis of the following key principles:

1. Developing Trans-European Network projects;
2. Strengthening cross border cooperation.

Developing Trans-European Network (TEN) projects

Territorial cohesion should focus on the better positioning of regions in Europe, both by strengthening their profile and by trans-European cooperation aimed at facilitating their connectivity and territorial integration. European energy infrastructure projects such as the completion of a European grid should be addressed in terms of promoting the internal market for energy. A vital precondition for balanced regional development is access to a minimum standard of infrastructure and services such as education, health and knowledge for citizens in the European Union.

Strengthening cross-border cooperation

Territorial cohesion should embrace the principle of cooperation between neighbouring areas. Cross border cooperation can create immense synergies if complementarities between centres of research, universities and businesses are established across borders and cooperation is cultivated. Territorial cohesion should provide the policy and programme framework for territory based programming in the period post 2013.

Integrating territorial cohesion into economic and social cohesion requires a more sustainable approach to a range of policies related to the knowledge economy, life-long learning and mobility of workers, sustainable development, access to resources throughout the European Union, management of public resources, investment in development and public private partnerships (PPPs).

2. The scale and scope of territorial action

Is there a role for the EU in promoting territorial cohesion? How could such a role be defined against 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?

The European Union has an important role in promoting territorial cohesion. In addition to its governance role, the EU has a crucial role to play in promoting territorial cohesion by encouraging greater cooperation between territories and better coordination across EU policies.

This EU role should be defined on the basis that a coherent territorial strategy requires a system of multi-level governance, involving local, regional, national and European actors.

Territorial cohesion will require cooperation and input from stakeholders particularly at local and regional level to ensure effective implementation. Decentralisation to the local level can be positive in allowing local authorities to play a role that meets the needs of local economic and social actors.

In this context we should add that the framework for cross border co-operation on the island of Ireland is multidimensional in character. A culture of co-operation has been engendered over a period of decades between local authorities and much of this activity is now funded under EU instruments such as Interreg. However the management entities are limited in terms of their scale and resourcing. These bodies are also public sector lead with very little evidence of private sector involvement in their operation and management.

Consideration should be given to the promotion of new financial engineering that is developed between the private sector and the EIB and EIF. The Public-Private Partnership (PPPs) model should be developed further. Joint approaches work particularly effectively in infrastructure investment, such as energy and transport. Smaller peripheral states should be encouraged to co-operate to mutual advantage in addressing some of the issues created in more sustainable waste management, for example. Clearly, there is a key role for the private sector as funders, investors and providers. The interest of the private sector also extends to promoting best practice and ensuring that efficiencies are achieved in terms of project delivery.

3. Better cooperation

*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?*

The Commission plays an important role in setting the framework for territorial cooperation and various programmes. The Commission can act as a facilitator where there is a common desire and need for cooperation across national borders.

The Baltic Region faces similar challenges and the member states concerned have structured a strategic response in the shape of the Baltic Sea initiative. The focus here goes well beyond the limited objectives of territorial cooperation which tend to be bilateral in character. The more 'supranational' approach to regional development and economic cooperation has now emerged as a key aspect of EU regional policy. In the context of Ireland-Northern Ireland-Scotland a key question now being considered is the extent to which an 'Atlantic Arc' approach could be developed.

The potential for Ireland as a whole plus Scotland to develop as a new energy province, based on exploitation of wind, wave and tidal resources is widely recognised. Similarly the three regions of Ireland, Northern Ireland and Scotland face considerable challenges in terms of upgrading grid connections to harness electricity generated from wind and tidal sources. Addressing common challenges to achieve greater cooperation and market integration requires a focus on planning, risk management and financial engineering.

However as much as possible it should be the local areas concerned that steer the content and priority activities. There should also be the option for decentralised management where this is favoured by the local partners. The European Commission must invest in facilitating networks and dialogue between contact points to raise awareness about territorial cooperation opportunities.

Cross border cooperation is an area where the EU added value is evident. Neighbouring regions can create immense synergies if complementarities between their centres of research, universities and business are established and cooperation is cultivated. Territorial cooperation can also create favourable conditions for business development.

There is an opportunity to assess the possibility of new legislative tools and forms of cooperation. A review of the European Grouping for territorial Co-operation (EGTC) would be useful with consideration being given to active participation in the governance of the EGTC by business organisations. In the context of the JBC's strategic links with cross-border partnerships and particularly those operating at local authority level, we would be interested in exploring, on behalf of the business sector, the extent to which the EGTC mechanism could provide the basis for a new co-operation model on the island of Ireland.

4. Better coordination

*How can coordination between territorial and sectoral policies be improved?
Which sectoral policies should be given 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?*

Coordination between all partners involved in the process is necessary to achieve efficient and cost-effective implementation of policies. Coordination between sectoral and territorial policies is important to maximise synergies and to avoid possible conflicts. This will require the

relevant Directorate Generals of the European Commission to develop policy more closely together focussed on achieving EU competitiveness.

It is widely recognised that many EU sectoral policies have a direct impact on local communities, for example fisheries policy. If the EU is pursuing the goal of territorial cohesion and acknowledging that there are regions with geographic challenges, then it is appropriate that all policies need to be flexible enough to be tailored to suit local and regional circumstances.

The development of coastal/remote area will require improvements in accessibility, transport and infrastructure, services, ICT and broadband. The JBC believes that the European Commission should mainstream policies such as transport, maritime, environmental and transport into funding programmes to ensure that a joined-up approach to these challenges is being followed. The need to move towards a low carbon future and the challenges this will bring, while maintaining EU competitiveness is one policy area that should be central to any new approaches being developed in the future.

A stronger partnership incorporating all levels of governance would help ensure coherence of territorial policies. Independent evaluations of the interaction between the various partners will help identify and achieve best practice solutions for the future.

5. New territorial partnerships

Does the pursuit of territorial cohesion require the participation of new actors in policy-making, such as representatives of the local social economy, local stakeholders, voluntary organisations and NGOs?

How can the desired level of participation be achieved?

JBC believes that the private sector has an important role in working with the public sector to develop a territorial policy approach. Consultation and publicising of new policies and giving key stakeholders including industry the opportunity to present their views will contribute to the development of stronger and more effective policies.

Business is an important actor in offering creative solutions and opportunities for development. Experience in developing co-operation structures on the island of Ireland shows that the business sector can play a decisive role in terms of shaping the overall agenda in setting interregional policy and investment priorities.

The European Commission should undertake regular assessments on how the partnership principle works in practice and these assessments should provide guidance on how the desired level of participation can be achieved.

6. Improving understanding of territorial cohesion

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

Achieving a territorial dimension to policy will require developing and having available substantially more transparent and independent data.

The use of objective indicators is fundamental to ensuring that the correct decisions are taken and that resources are allocated appropriately.

Business has an important contribution to make in developing innovative indicators at the EU level and wishes to play a role in identifying the most appropriate indicators for the future.