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AER CONTRIBUTION TO GREEN PAPER ON TERRITORIAL COHESION

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Dear Madam / Sir,

As a chairman of AER Reflection Group on Cohesion Policy, I would like to warmly welcome the European Commission's Green Paper on Territorial Cohesion.

As indicated by the title of this paper, territorial cohesion aims to turn richness and diversity of our territories into a competitive advantage. Particular features of European regions finally stop being perceived as handicaps hindering their development. Disadvantages are transformed into long-term assets likely to bring rapid economic and social growth to the whole Europe. Does the Green Paper make us dream an unrealistic dream? Can the impossible become possible?

My answer is YES. The Green Paper seems to provide a solid starting point for such a change. I strongly believe that it will serve as a good basis for more coherent and future-orientated EU policies. A new holistic approach to those policies, taking into account the principles of subsidiarity, equality, sustainability and multi-level governance, will enable all European territories to develop harmoniously and in a sustainable manner, and to successfully take up increasingly important challenges of our time. Territorial cohesion is supposed to give our territories more plasticity. It will provide them with even greater ability to transform under pressure of an unpredictably changing environment and to control dynamics of globalization.

I also believe that an effective integration of the principle of territorial cohesion into EU political agenda will end up a controversial debate on how to reconcile competitiveness and cohesion in Europe. There are no lagging regions in Europe! This is the key! There are only different territories, each of them representing different potentials of development and we should do necessary to provide them with effective tools to harness it.

I would therefore like to present you the outcomes of AER consultation on EC Green Paper on territorial cohesion. I hope that our member regions' comments and remarks will feed into the White Paper and legislative proposals in early 2014.

I look forward to the presentation of the findings of your consultation at the Prague conference in April 2009.

Thomas Andersson



Vice-president of AER Committee 1 in charge of Economic Development, Innovation and Cohesion Policies

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**First Reaction by the Assembly of European Regions
*Adopted by AER members gathered in General Assembly
on 13 November 2008, Tampere, (FIN)***

With regard to :

- The introduction by AER of the concept of territorial cohesion proposed in 1995 in its report entitled “Regions and Territories in Europe – The Regions’ view of the territorial effects of European Policies”,
- The conclusions of the informal meeting of EU ministers for spatial planning and regional development in Leipzig on 24th-25th May 2007,
- The AER updated definition adopted in Wroclaw (PL) on 10th June 2008,
- The AER position on future cohesion policy adopted in Wroclaw (PL) on 10th June 2008,

Assembly of European Regions’ members :

Definition

- Welcome this Green Paper on Territorial Cohesion and acknowledge an effort by the European Commission to define the concept,
- Remind that territorial cohesion is an objective to reach, not a tool or a means,
- Consider that agreeing on a common understanding of the concept and delimiting the areas of actions for achieving territorial cohesion should be a priority, before taking any further kind of decision,
- Consider that the increasing disparities between European regions are partly due to a poor and outdated governance and lack of coordination with sectoral policies,
- Remind that the debate on territorial cohesion is going far beyond cohesion policy only,

Equal access to services

- Welcome the reference to services of general interest and the need for all citizens to benefit from an equal access to health and education in particular, irrespective of the place they live in,

- Yet, insist that a strong coordination of the objective of territorial cohesion with other decisions made at EU and national levels regarding services of general interest must be established,

Coordination with sectoral policies

- Agree that the territorial dimension has been at the core of structural policies for years,
- Consider however, that until today, there has been insufficient coordination with other policies that often contradict structural policies or at least did not follow this objective of territorial cohesion,
- Regret that the second pillar of CAP is not mentioned as a clear example of lack of coordination and need for further synergies,
- Consider that integrating this second pillar into cohesion policy measures would partly solve this difficulty,
- Welcome the reference to the European Employment Strategy but insist that it is the whole social policy, including education and training, poverty and exclusion, health inequalities etc. that has to coordinate with a territorial focus,
- Regrets that environmental policy is mainly described as a brake for economic activity,
- Affirm that the quality of the environment does and will even more in the future enhance the attractiveness of a territory and constitutes a key asset for development,

Regions with specific features

- Consider that the issue of regions with specific features should be addressed with caution and on an ad hoc basis,
- Recognise that each Region has particular characteristics, in particular sparsely populated areas, islands and mountain areas, that prove more or less handicapping for their development and need specific adjustments.
- Propose that ad hoc support on the specific difficulties encountered by these regions – i.e. climate change, migrations, access to energy or transport networks - should be encouraged in the future,

Territorial cooperation

- Welcome the importance given to territorial cooperation and insist that territorial cohesion goes through improved and more flexible capacities for interregional cooperation,

- Underline that many of the difficulties faced at territorial level for cooperating with regions outside national borders still depend on national rules and approaches towards regional authorities, which can hamper cooperation, synergies and fluid economic cross-border relations,

Connecting territories

- Consider that a particular focus should be put on the development of sustainable, affordable and intermodal public transportation means, in order to comply with environmental, economic, social and territorial requirements,
- Insist that the potential of ICTs for sustainable territorial development – in particular to decrease the environmental cost of transportation and the inequalities in accessing services of general interest - shall not be underestimated,
- Hence, suggest that the massive dissemination of broadband Internet access on the whole European territory should be a priority,

Governance

- Acknowledge that territorial cohesion is not about reviewing national patterns of competences and the vertical organisation of governments in EU Member States,
- Insist however on the fact that the key for achieving the objective of territorial cohesion among all European regions is to define adapted governance systems,
- Fear that escaping this topic and avoiding discussion at all governance levels in this respect might hamper the debate on territorial cohesion and prevent any future improvements of the present inequalities between European territories.

The members of the Assembly of European Regions propose, as a complement to this political reaction, their own definition of the concept of territorial cohesion, as an annex to this document.

The Assembly of European Regions will respond to the Green Paper on the basis of the present political reaction and of a broader consultation on the specific questions raised in the end of the Green Paper by the end of the consultation period.

Outcomes of AER Consultation on Green Paper on Territorial Cohesion

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?

Territorial cohesion refers to the situation in which different areas develop harmoniously and in synergy with each other, having common priorities and objectives. This concept entails several elements, namely:

- Equal access to high quality and cost-effective public services for all citizens across the EU (Hampshire (GB), _ódzkie (PL), Valencia (E))
- Development of new information and transport systems which will bring territories closer to each other and will respond more accurately to increasing mobility demand (Lower Silesia)
- Wise and innovative use of local resources (Valencia (E))
- Sustainability to ascertain that economic development will not come at the expense of the environment (Dorset)
- Use of corporate-based governance models by public administration, which is to be considered as a client-oriented service (Mures (RO))
- Reference to EU regions' different historical, cultural and environmental backgrounds (Mures (RO), _ódzkie (PL))
- Enhancement and improvement of interregional cooperation with the aim to monitor territorial development trends all over Europe and to diffuse knowledge, which is necessary to stimulate regional growth (_ódzkie (PL))
- Proper management of the cultural heritage with the aim to preserve cultural diversity and the identity of different regions

It is understood from the above that territorial cohesion will help combine the principles of effective and multi-level governance, sustainability and equality with new ambitious public policies and territorial projects. It should allow different administrative entities to develop harmoniously in an increasingly volatile and unpredictable environment.

Territorial cohesion should be a comprehensive concept influencing all policy areas, which are of significance to sustainable development, growth and quality of life in European regions. The term of cohesion has traditionally been used in the sense of economic and social cohesion. From now on, these three forms of cohesion should go hand in hand and complement each other. Territorial cohesion will allow for regions to mobilize their underutilized potential and to maximize their territorial assets in order to correct the economic and social disparities stemming as a result of a geographical location.

Lastly, since territorial imbalances do not only happen between different regions, but often exist within the same territorial unit, it is important not to restrict this concept to macro-scale problems. Some of the most urgent micro-scale issues must also be addressed in order to enhance the unity of a single administrative area. This problem was highlighted by Valencia (E) where its wealthy coastal area, with well-developed

business and service sectors, strongly contrasts with its poor inland, characterized by a predominance of agriculture in addition to a scarce population.

What additional elements would territorial cohesion bring to economic and social cohesion approach currently practiced the European Union?

It is clear that many EU sector policies are directly interfering with territorial functions. These include CAP, rural development, transport, energy or research policies etc. The way in which these policies are developed brings about many positive outcomes. However, they also often produce outcomes likely to affect our territories. Despite this obvious fact, until now many EU policies have unfortunately been shaped and implemented regardless of the side effects they may produce.

We therefore believe that territorial cohesion will fill in a missing link between EU policies and our regions' territorial goals. It will help us to better understand a variety of factors influencing territorial development in Europe. It will also recognize wealth disparities within regions, allowing for us to better define regions' needs and highlight their potentials. This will provide us with a greater ability to respond more accurately to the problems encountered by European territories.

2. THE SCALE AND SCOPE OF TERRITORIAL COHESION

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?

The EU has a major role in monitoring and overseeing the application of territorial cohesion. It should enable the promotion of this concept through strategic guidelines, which have recently been becoming increasingly important. A new territorial-based approach to the EU political agenda should reflect more accurately spatial changes occurring in Europe and drive territorial cohesion into sectoral policies.

Based on territorial evidence, the EU's political agenda should allow for decision-makers to more accurately identify spatial problems in Europe, giving priority to those policies which offer undisputable benefits for the whole European territory. The EU should also explore new ways to promote best practice to help regions improve and maximize their territorial assets.

Even though territorial guidelines are to be established at EU level, it is obvious that with respect to the subsidiarity principle, they must be endorsed at the lowest possible level, since the local authorities are the most aware of what is happening on their territory. The lack of cooperation between European institutions, and national and regional policy-makers may only hinder territorial cohesion, resulting in badly-tailored policies that fail to answer the most urgent needs of our regions. New territorial-based policies should therefore allow regions with a certain level of freedom and flexibility so they can tackle their problems in the most appropriate manner and according to their individual circumstances. This is especially crucial for those cross-border regions which often face similar challenges. These regions should team up to resolve these challenges (Troms (N), Dorset (GB)).

The EU must also focus on providing adequate financial assistance to territorial cohesion. It should empower Member States to grant sufficient financial incentives with the aim to strengthen their territorial potentials. That said, more flexibility is needed in EU State policy. The criteria along which cooperation projects are judged should also be slightly modified. When allocating subsidies to this kind of projects, the EU should take into primary consideration its relevance and performance in enhancing the territorial potential of partnering regions. Today, a lion's share of projects is intended to reduce geographical mismatches rather than strengthen regional assets.

The key to achieving this seems to lie in a close cooperation among European, national and regional stakeholders when putting in place endorsement measures for territorial cohesion (following the example of the European Rural Development Network). Integrating territorial cohesion into EU sector policies requires the appropriate expertise that members of such a network could bring together. The objective of this structure, composed of a multitude of actors, would be to identify, analyse and incorporate key territorial issues into the EU-policy making process.

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

There is a need to identify actions with a purely local impact and those which might have a wider spatial impact. With regard to this, the region of Łódzkie (PL) proposes to split policy interventions into two categories, namely:

- *Micro-scale* actions that aim to ensure territorial cohesion within smaller units, namely regions, cities or districts etc. For instance, when it comes to urban spatial planning, special attention should be paid to districts, with a particular focus on those which are highly-disadvantaged and poor
- *Macro-scale actions* with the aim to enhance territorial cohesion countrywide and Europe-wide

The region of Dorset (GB) observes, however, that micro-scale and macro-scale actions may often come under the same policy, i.e. transport policies might ease travel, as well across the continent as between towns. Climate change can destroy the whole planet but it can also produce a local impact, such as flooding, weather changes and loss of biodiversity. A different approach would be needed for each of these levels. Also the ability of the area to meet its own needs must be taken into account.

Lower Silesia (PL) points out that the delimitation of competences among various stakeholders should respect legal competencies of each constituency and take into consideration their capability to deal with a given issue (subsidiarity principle). When two or more territories face similar challenges, such as handicapping geographical features, demographic structure, economic and social conditions, they should put together common resources in order to resolve their common problems more accurately.

As the region of Troms (N) observes economic and social differences often disappear when pan-European cooperation is developed on NUTS2 level.

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

Natural or geographical patterns should be considered as the most important determinants for public policies – a number of handicaps, both inherent and periodical, may affect territories' capital and subsequently hinder their economic and social growth. Insular location isolates regions from main markets. Remote regions suffer from underdeveloped energy, transportation and communication networks. Hostile climate and natural hazards can undermine territorial attractiveness for people and business investors. It is therefore crucial to keep in mind regions' specific needs and their confining potentials when drafting integrated spatial development plans.

Numerous examples can be provided as follows. Valencia (E), for instance, is a coastal area with well-developed fishery and maritime industries. The steady expansion of urban areas has attracted, over recent years, a widening spectrum of people and businesses to the seaside. A housing bloom has also underpinned an unexpectedly intensive development of commercial activities, providing new jobs and creating new opportunities for trade. By contrast, the rural inland lags far behind the coast. Due to poor infrastructure, lack of investment and insufficient services, people and companies keep moving away from the countryside. More effort must concentrate on rural territories to provide them with basic social services and affordable transportation networks. It seems important, however, to also promote economic prosperity, environmental quality, and recreational use of the countryside. This is a prerequisite to developing attractiveness of rural areas and to preserve a delicate balance between rural and urban territories.

Surprisingly, remoteness can also hit well-developed regions with a high GDP per inhabitant. Despite rich natural resources, such as energy, fish and minerals in North Norway, the further development of this region is hindered by its particularly unattractive geographical location, making living expenses relatively high. Being located far from the main market also requires a highly competitive industry, which is hardly achievable due to the trends of an ageing population and the migration of young people from rural areas towards urban areas. It is therefore important for North Norway to increase spending in its knowledge-based industry, which would help develop telemedicine services, marine bio-prospecting and climate change monitoring systems. Providing good quality public services, based on local knowledge, local identity, innovation and natural resources is essential to keep people at home.

According to Hampshire (GB) special attention should also be paid to peri-urban areas. These transition zones, lying around urban settlements, are often neglected. They often face similar challenges to rural zones, namely capital and brain drain, declining population, land pressure and fragile industries. Urban sprawl in these zones suffocates the very last elements of rural life, such as forest areas, which could instead be used for leisure activities. The resettlement, upgrading and rehabilitation of peri-urban areas are therefore essential to enhance cohesion between metropolitan and rural territories.

Dorset reminds us that coastal areas might need additional support in dealing with climate change and marine policies, much of which impinge on more than one country.

AER regions agree that people should not be disadvantaged according to the location in which they live and this should be a basis for the new Territorial Cohesion Policy. New territorially-based policies should allow for all regions to accommodate their particularities. We strongly believe that the key to success lies in the proper use of regional particularities, including human and natural resources, knowledge and institutional capacities. We should end up with current compensatory policies and reflect on how to turn our

handicaps into assets. The objective of territorial cohesion will be therefore to increase attractiveness of each territory for people and investors regardless of its geographical or physical particularities. The challenge is to trigger the specific territorial advantages of both cities and regions from an EU perspective.

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 play a major role in supporting and encouraging co-operation between Member States in activities which have a common European interest, namely climate change, renewable energies and research, and in activities which have a cross-border dimension, such as health care, environmental protection, infrastructure or migration flows.

It should also promote territorial cohesion by envisaging new legal measures and financial instruments with the aim to make it easier for local governments to cooperate with one other. The Commission is formally not bound to take a territorial impact into account when drafting legislative proposals. This should be changed. A territorial impact assessment, highlighting the specific challenges Europe's territories are faced with, should become an integral part of each Commission's proposal package

Today, Interreg program is seen by many regions as the most valuable financing instrument for cross-border cooperation. Many regions hope for the Commission to continue and increase its support for Interreg in the next period. Some problems are still, however, to be overcome. The region of Troms calls on the Commission to simplify the administrative process of participation in territorial cooperation programs, and making them more accessible for private-public partnership and smaller entities. For many regions the existing programmes are too bureaucratic with extremely complicated guidelines, and time-consuming and inflexible application procedures (Oppland). In this respect, the regulation on European Grouping for Territorial Cooperation (EGTC) can be presented as an exemplary and innovative instrument, effectively reducing the administrative burden and simplifying the modalities of cooperation among regions and authorities from other States (Troms (N), Brussels Capital (B)).

Moreover, the region of Troms (N) acknowledges the working method the Commission adopted in the frame of the new Maritime Policy and the Baltic Sea Strategy. Cross-sector involvement from the different DGs has turned out to be important and beneficial for all stakeholders. Troms encourages the Commission to use this as a model for future cooperation.

The European Commission has also been urged to produce a White Paper on territorial cohesion to propose a series of action that will make the concept of territorial cohesion more realistic.

Is there a need for new forms of territorial cooperation?

Territorial cooperation is considered by AER members as a top priority. Many consider it as the most powerful tool to reduce territorial mismatches and value regions' competitive advantages. Territorial imbalances create negative trends, including migrations of huge intensity or trade difficulties. It is believed that innovative and visionary forms of territorial cooperation can significantly minimize, or even reverse, these trends. Thus, the European Union should support, reinforce and facilitate a trans-regional

collaboration in fields such as business development, environment, culture and infrastructure. The key issue, however, seems to trigger cooperation at the most appropriate level, where it is mostly needed. This could include rural-urban partnership, cooperation between regions situated along the same maritime or land border, or between regions facing the same or similar challenges.

Territorial cooperation in Europe still encounters a multitude of obstacles. To improve this situation, AER regions suggest the EU should explore the following forms of cooperation

- *Improving existing forms of cooperation* such as Interreg and Interact, both aiming to trigger the exchange of best practice in the EU. Much attention should also be paid to the European Grouping for Territorial Cooperation (EGTC), a legal instrument created with the intention to overcome all obstacles hampering cross-border cooperation (Brussels Capital (B)).
- *Creating new opportunities for cooperation*
 Territorial cooperation must firstly be reinforced along new external borders (Bekes (H), Durrës (AL), _ódzkie (PL), Oppland (N)). The external EU borderline resulting from the recent enlargements has generated many difficulties but has also offered great new opportunities that should be seized. The regions lying on external borders often share similar problems, which basically differ from the position of other European regions and their solutions require specific measures. Moreover, their geographical situation puts them in the challenging position as “bridges” of Europe with their closest neighbourhoods. New forms of cooperation should be therefore shaped to create new synergies and promote understanding along external EU borders and there should be a common aim between European and non-European regions. As the region of Oppland (N) observed, “*We should prove that Europe is more than only EU*”.

Hampshire (GB) and Eastern Norway County Network argue that new forms of cooperation should also be developed between territories sharing maritime borders. Since it is more difficult for maritime regions to identify cross-border issues, they are simply neglected when it comes to setting up their spatial development projects. Concentrating funding of major projects on maritime border areas such as port improvement or restoration of the beaches may be more advantageous than spending it on lots of small projects, which do not really achieve territorial cohesion across the borders (Dorset (GB)).

It is also important to reinforce trans-regional cooperation, with less national interference (Hampshire). Cooperation in relevant territories should be stepped up in order to deal effectively with problems environmental protection, maritime safety, transport networks etc. In many cases, working with areas, which are not adjacent, is often just as useful as co-operating across borders, i.e. in dealing with the challenges of sparsely populated rural areas (Friuli Venezia Giulia (I)) or mountain territories (Oppland (N)).

As Eastern Norway County Network underlines how important is to encourage the EU polycentric development, with respect to the Leipzig Charter. Cities provide a critical mass of services, population, business, capital, culture, and infrastructure. We should therefore support sustainable urban development, which are a point of reference in further developing the EU approach to territorial cohesion.

We should also try to reinforce urban-rural linkages, as the countryside and urban area are

mutually responsible for further regional economic and social development. Unfortunately, we observe today two separate processes of spatial planning. Development strategies for urban and rural territories are often drafted in complete isolation, which leads to a duplication of similar projects and hinders the connectivity of those areas. Urban and rural areas are interlinked and will gain from finding ways of working together – creating new opportunities. Developing strong regions, combining the strengths of cities and regions can stimulate greater innovation and unlock a potential for sustainable development and economic growth (Eastern Norway County Council (N), Brussels Capital (B))

More investment in rural development area is obviously needed in order to ensure economic and social cohesion between rural and urban territories. It should be taken into account during the current debate on the future CAP. A modern Common Agriculture Policy should be less market-orientated and put a stronger emphasis on its territorial dimension. As a part of cohesion policy, the second pillar can help farmers meet current challenges. European regions should gain more power and autonomy in what concerns the management of the EARFD. They are best placed to take strategic decisions over rural funds as they know best the specificity of their rural zones.

Interregional cooperation should go beyond European borders. Internalisation is a field where there is still a strong need for regional cooperation. European regions should have an increased focus on how to use the international stage to promote local initiatives and policy making (Oppland (N)). However, since creating international networks and alliances is a time-consuming activity, often requiring special competences and skills, and given that small municipalities do not have sufficient financial or human resources to engage in international projects, the European Union should encourage and acknowledge regions' cooperation through sub-national networks. These are often a prerequisite for international involvement.

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

With regard to regional cooperation along external borders, it seems crucial to:

- Make all EU legal instruments more adapted to a local level (Łódzkie (PL))
- Set up legal instruments to facilitate the creation of regional clusters, enhancing innovation and competitiveness of the border area (Łódzkie (PL))
- Develop programs, which enable cooperation between small cities and municipalities (Valencia (E))
- Unify existing institutional mechanisms for territorial development, such as public societies or consortiums (Łódzkie (PL)).
- Create new forms of cooperation between immigration authorities. This cooperation should not exclude regional authorities (Hampshire (GB))

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?

The main objective is to achieve the application of the different policies which are at the heart of the EU, but not to infringe upon the objectives of territorial cohesion. On the one hand, coordination can be improved by involving different types of public and private actors: territorial cohesion needs prior coordination of all sectoral policies and different levels of governance, from local to EU level. A key challenge for territorial governance is to create horizontal and vertical cooperation/coordination between the following:

- Regional and national governments, especially to strengthen the regional level's role in designing and implementing specific regional policies
- To improve the coordination between sectoral and territorial policies
- To further develop the triple-helix partnership model for regional development

But there is also a need to identify actions which have a specific local impact and those which have a wider impact. These may often come under the same policy, e.g. transport policies might ease travel across the continent or between towns. The interests of the different actors must be identified while territorial issues such as resource management and spatial planning remain a priority. It is evident that the strategy of Lisbon has demonstrated greater aspects of competitiveness and of RDT, but these policies shouldn't detract from the essential aims of cohesion across every level, including territorial aims. As in the Valencia region (E), small, rural municipalities can benefit from rural development with the help of ERDF funds, or assistance from the CAP, thus contributing to the creation of wealth in rural areas in order to maintain the population and make better use of the region's own resources, and in doing so enhance their territorial cohesion. Policies may need a multi-level structure with a territorial aspect clearly set out. This supports the idea of a territorial impact assessment being carried out for all policies in order to identify the various levels at which they need to be applied, from the international to the local. Hampshire County (GB) also supports the idea for an effective way of measuring success – common standards or goals across all policy areas. Territorial cohesion needs to be a theme that runs concurrently through all policy areas.

According to Lower Silesia (PL), the coordination should be assigned to the proper entity according to the jurisdiction of its activity. The most important role would be assigned to regional authorities responsible for regional policy and development, while the coordination role would belong exclusively on the national and regional level.

Eastern Norway County Network refers to the Blue Paper on Maritime Policy as a good way forward to include a cross-sectional and holistic approach, and calls for the EU-Commission and national authorities to apply a similarly dynamic approach to territorial cohesion.

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

Regions acknowledge that many if not all policies should consider their territorial impact, but the most obvious ones concerned are: the diversification of transport with improved water and air transport;

transport infrastructure to link isolated areas with more prosperous parts of the region; the use of IT and communication technologies for better and quicker territorial intervention; energy to promote alternate and renewable sources and to ensure a fully integrated market approach; more sustainable environmental management; increased research for the sustainable use of local resources; education and training for raising awareness and employment. Other policies mentioned include agriculture and the CAP, social inclusion and health.

Lower Silesia (PL) notes that particular attention should be paid to the policies with added value for the region, and policies with a specific local character. These include policies concerning education, the labour market, and territorially conditioned economic policies. In view of globalisation challenges, cohesion policy must give priority to greater spatial cohesion in the field of innovative economic development.

Dorset County (GB) and Comunidad Valencia (E) add to this statement that a territorial impact assessment needs to be developed and carried out on policies. This should be brief and to the point and not over complicated, over-bureaucratic or burdensome. It should identify the impacts at various levels from an international to a local level.

How can the coherence of territorial policies be strengthened?

A first step is to have a vision of what needs to be achieved and to ensure that regions have a means of measuring the success of policies. Dorset (GB) and Mure_ (RO) Counties suggest that the overall objectives built on sustainable development criteria need to be developed and the policies assessed against these, for example, need to facilitate travel; to encourage businesses to co-operate and to cut energy use. The increased integration of various authorities and stakeholders involved in territorial cohesion policies at local and regional level is essential for realizing economic effectiveness, social cohesion and geographical-territorial balances.

Durres County (AL) adds that coherence can be improved by targeting less favoured regions in view of developing their assets and potential, while Valencia (E) stresses the importance of improving communication and collaboration between all of the public administrations involved in managing social policy through the organisms of inter-administrative cooperation, foreseen by national legislation. This is especially pertinent at the time when policies are being developed.

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

This question underlines the two aspects linked to cohesion policy and the aim to establish a means of coordination, cooperation and collaboration between administrations: a) the cohesion between the different regions of EU Member States where evidence of the positive effects of cohesive policy making can already be seen and; b) the interior cohesion of each and every one of the regions. In the first case these are the Member States, in collaboration with the regions, who have to assume the first stage of action. These, however, in the second case are the particular requests of regions, the main actors, in collaboration with those local bodies.

Beyond the abovementioned principles of agreeing to overall common objectives and identifying who does what at what level to achieve these, combined with the bottom-up approach which takes account of regional needs and initiatives, regions suggest more specific measures.

Durres (AL) and Mures (RO) counties agree that EU structural policies need to support development strategies at the regional level, with a focus on the particular assets of territories, human and social capital as well as their natural resources. The specific regional identities need to be considered.

Bekes County (H) underlines that the coherence between national and community policies will be most plausible when similar living conditions are reached. Therefore, the main aim should be the improvement of living standards and living conditions.

Lower Silesia (PL) considers the cross-border cooperation approach between self-government corporations in the field of concrete measures, joint economic enterprises based on the institutional foundations proper for the economic sphere (companies). There is no better incentive for the integration of mutually favourable businesses, and no better method of activity verification as the financial result. Similarly, the policy coordination mechanism for the interested countries and regions, could be the basis for the development of methods of coordination with community policies.

5. NEW TERRITORIAL PARTNERSHIPS

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

Valencia attributes great importance to the involvement of all of sectors of civil society which participate in one form or another to community policy, either as solicitors of those policies or as a direct beneficiary, can participate at the stage of formulating the different policies. Participation of citizens should be heavily emphasized.

The triple-helix, or perhaps we can call it the quadruple helix model including NGOs and R & D, private industry and public sector, should be strengthened as part of the process to create good governance systems, especially the involvement of private enterprises is important.

This quadruple helix model for cooperation should be emphasized as a good instrument for place-based growth policy, rooted in collaborative, multi-level governance. The pursuit of territorial cohesion may also imply wider participation in the design and implementation of policies.

Regions agree that third actors such as local actors, policy makers, companies, public institutions, NGO-s play a crucial role to ensure social cohesion and must thus be included in the process. The participation of such entities in the execution of cohesion policy, regional policy and sectoral policies (particularly in the context of formulating subject-matter solutions) will determine the natural character of these processes and their durability. However, it is worth remembering that the most important role belongs to the self-government authorities at the regional level. Hampshire adds that democratically elected local representatives should especially be implicated in the process.

How can the desired level of participation be achieved?

There is no doubt that participation will increase when results demonstrate that, by way of co-operation, the desired result will be achieved and that the policies work.

Dorset County underlines a UK initiative where a system of local area agreements which bring people and organisations together to work on common objectives is in place. While over complicated and burdensome at present, the principles behind the scheme are sound and the system could be simplified and made more productive. The principle of agreeing common objectives and then all relevant bodies working towards these through co-operation should be applied at all levels, from international to local.

Comunidad Valencia (E) adds that the different public bodies should create the organs to enable the participation of the different social stakeholders such as the Councils of Citizen Participation, whereby they can submit their opinions, suggestions and evaluations based on the results of past experiences or new ideas for projects.

6. IMPROVING UNDERSTANDING OF TERRITORIAL COHESION

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

Regions agree that a balance between indicators monitoring the economic, social and environmental development of regions is essential for a sustainable approach. Also, both qualitative and quantitative data should be collected to reflect the situation in a number of different areas. With regard to the specific indicators to be used, it has been indicated that aspects such as GDP or income per capita are not sufficient as an indicator of the extent of territorial cohesion achieved. Without discarding these two indicators for the monitoring of territorial cohesion, other economic factors should be included such as qualitative living conditions of citizens; the evolution of population size (growth or stagnation); the number and complexity of territorial cooperation; the achieved level of territorial cohesion social and economic development.

Comunidad Valencia (E) gives some indicators to consider: gross national income which is the income by salary, income from the land, from capital and depreciations of income obtained by nationals overseas, taking away the income of foreign agents in the state; it is fundamental also at the time of calculating the scale of cohesion from an economic perspective to determine through the GDP the incidence that the different economic sectors; in effect to obtain a good indicator of the level of territorial cohesion, keeping in mind that one of the objectives is maintaining the population in rural areas is to carry out a following of the evolution of the population in those regions and include areas inland (for example at a local area level), that will bring about through the following of the population controlling the pyramids of age and crop growth. The share of each of the sectors (primary, secondary and third) in the makeup of the GDP should also be taken into account. Considering that one of the objectives of the territorial cohesion is to maintain the populations in rural areas, the evolution of the population should be monitored by regions or even at county level, through age pyramids and population growth. Finally, bearing in mind that the territorial cohesion is fully linked to the concepts of sustainable development and making the most of the resources of the less favourable areas, the natural conditions of the land, whether cultivated, hectares for agriculture or forestation and natural and environmental indicators such as ecological impact relative to the number of hectares per habitant needed to guarantee quality of life should be considered.

Lower Silesia (PL) emphasised the possibility to examine the percentage of resources spent on investments or execution of cross-border measures within the overall amount of resources spent for this purpose. One can also measure the number of economic entities with mixed capital in relation to the general number of entities in a given area. It is also possible to monitor the number of people or the percentage of people employed in the neighbouring borderline/ foreign region; the number of pupils or students fulfilling their school obligations abroad.

On the other hand, it seems impossible to measure the increase in infrastructural investments as conducive to the strengthening of territorial cohesion. Although it would be advisable to, for example, examine the relation between the development of broadband Internet and the increase in the tele-working and e-learning phenomena.

Hampshire County (GB) suggests a comprehensive list of possible indicators for each area:

Accessibility:

- Transport links – road, rail, maritime, air
- Connectivity
- Congestion

Environment:

- Environmental performance
- Air quality
- Water - availability and pollution levels
- Recycling levels
- Energy – production, consumption, distribution, sale
- Investment in renewables
- Sustainability

Social:

- Access to and quality of education
- Migratory flows/ patterns
- Healthcare provision – standard and availability/ accessibility
- Civic participation

Quality of life

- Population density
- Cooperation with neighbours & ease of this (e.g. land border/ sea border/ language)
- Broadband access
- Social exclusion
- Demographic change
- Access to and affordability of housing

Economic:

- Employment rate
- Poverty rate
- Economic attractiveness of a territory
- House building and affordable housing
- Business start-ups and survival rate
- Investment in research and development

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- Growth
- Productivity

Specific regional needs also appear as concerns, such as in Northern Norway: Troms underlines that the European periphery is an undervalued element in the process of developing Europe into an even stronger economy. Indicators describing the challenges facing remote areas like North Norway should be applied. Among these, an insufficient infrastructure is the biggest hurdle when it comes to being globally competitive and the impact of long distances and cold climate as well. But indicators of quality of life, like living in a clean environment, access to services, culture and education should also be included as regional assets.

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Definition of territorial cohesion

Adopted in Wroclaw (PL)
11 June 2008, Tampere, (FIN)

AER definition of territorial cohesion

Territories developing harmoniously and in synergy with each other, heading to common priorities and objectives, by implementing strategies with means and tools adapted to their territorial capital¹, providing an equal access to services and opportunities for all European citizens.

This can only be achieved if:

1. all European member states agree on common objectives of the European Union. Territorial cohesion cannot be a goal in itself, cohesion has to exist around a common objective, which can be the well-being of all communities, sustainable economic development, security and peace... As of to date, there is a general understanding that **territorial cohesion is linked to the objective of ensuring the sustainable (environmental, social and economic) development of our communities.**
2. **a genuine European cohesion policy** is continued, agreed in cooperation with all levels of governance and implemented as close to the citizens as possible; appropriate support should be granted in order to speed up the realisation of the cohesion objective;
3. **Interregional cooperation is supported, made easier and promoted, in line with the process of “synergy”** mentioned in the definition, in order to become the basis of an ongoing (never ending) necessary policy learning process.
4. territories are granted participation in a **multi-level governance** with a strong partnership with higher authorities and bodies (national, European and international levels)
5. cohesion must exist within the territories. Regions are geographical and/or political entities with different groups, communities and stakeholders, sharing a common history, a common territory, common traditions, cultures and ways of life. Diversity is very important within the

¹ Territorial capital: what makes an area distinct from the others in terms of development potential. It is determined by a wide range of factors, such as geographical characteristics, size, climate, history. This territorial capital gives a region some strengths and weaknesses, generally called “development potential” or “structural difficulties”. The aim of a balanced territorial development is to give each region the opportunity to make the best out of its territorial capital. (Concept elaborated and defined in “The Territorial State and Perspectives of the European Union Document”, drafted by CPG/Editorial Group for the European Council)

territories and it is essential to implement a **large horizontal and vertical partnership and have all private, public actors, associations, NGOs, social partners work together within the territory;**

6. **a true coordination takes place at all levels of national and European policy-making**, to ensure that both sectoral policies with a spatial impact and regional policies are more coherent, and that social and environmental issues become transversal issues.
7. **a polycentric approach to economic and social development** is adopted in order to avoid concentrating prosperity, growth and people's future prospects in a limited number of areas in Europe; for AER indeed, it is necessary to put the focus on the capacity of all areas to build more efficient regional alliances for integrated development and sustainable growth.
8. **territorial cohesion is assessed according to a series of soft indicators** taking into account access to and quality of education, employment and poverty rates, environmental performances, economic attractiveness of the territory...

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