

**THE LISBON STRATEGY AND TERRITORIAL COHESION: TOWARDS A NEW  
KIND OF EUROPEAN GOVERNANCE**

**MICHEL DELEBARRE, PRESIDENT OF THE COMMITTEE OF THE REGIONS**

*Check against delivery*

Ladies and Gentlemen,

It gives me great pleasure to be here to give a summary – in the spirit of the Rotterdam Agenda – of the Committee of the Regions' contribution to formulating European cohesion policy, and to share with you some thoughts on its future development.

First of all, I would like to join all the previous speakers in thanking and congratulating the Dutch government for taking the initiative of organising this conference.

The main reason this meeting has attracted so many important players in territorial cohesion is that it is taking place at a key time for European cohesion policy. We are now on the home straight towards the adoption of the regulations and guideline documents for the Structural Funds for the period 2007-2013. The Commission has just published the fourth progress report on cohesion, which gives us an accurate snapshot of the disparities between regions in Europe and highlights the catch-up trends in the Europe of 25. At local and regional level, authorities are entering a phase of intensive activity to draw up their programmes, which will try to combine their own development strategies with the Lisbon objectives.

However, I believe that the success of this meeting also flows from the fact that it gives us an opportunity to put territorial cohesion back at the centre of our discussions, after many months of silence. I suspect that last year, some people felt a cowardly sense of relief after the two "no" votes in France and the Netherlands; they told themselves that, until the Constitutional Treaty entered into force, territorial cohesion would remain a possibility rather than becoming an obligation. All of a sudden, the pressure was off, and we had to accept a cut of almost 50% of the budget that was initially assigned to territorial cooperation for 2007-2013, despite this being the instrument *par excellence* for supporting territorial cohesion.

It is therefore high time to break this silence, to raise our game and to make the concept of territorial cohesion more of a reality in a landscape dominated by the Lisbon strategy.

As far as the Committee of the Regions is concerned, this latter task can be divided into two priorities: exploiting local and regional potential to move the Lisbon strategy forward, and relaunching the concept of the Lisbon strategy. These are two ambitious goals, but I believe that our perseverance is beginning to bear fruit.

1 – In the Committee of the Regions' view, **exploiting local and regional potential to move the Lisbon strategy forward** goes hand in hand firstly with the new cohesion policy and secondly with a partnership-based approach to European governance.

I would like to remind you that, right from the outset in 2000 local and regional authorities were always intended to be involved in the Lisbon Strategy. However, it took five years for the attention of national governments to turn to cities' and regions' contribution to the success of the strategy. This recognition is now making good progress.

The European Councils of March 2005 and March 2006 recognised that local and regional authorities were entitled to a greater level of involvement in drawing up and implementing the Lisbon strategy.

Today, in the light of the sum allocated to cohesion policy in the financial package for 2007-2013 and the strategic guidelines, soon to be adopted by the Commission but the broad thrust of which we already know, it is not exaggerating to say that regional policy has become the main instrument of the new cycle of governance of the revised Lisbon strategy. The pressure has increased further with the identification of a specific list of targeted measures connected with the Lisbon strategy, to which Member States are asked to devote a certain proportion of European funds. Although this fact may cause concern, in some respects, that cohesion policy is in some way being re-nationalised, the fact that a lever has been created to encourage national governments to comply with Council recommendations is to be welcomed.

When the latter texts are adopted, we will have a financial and legal framework in which the objectives of solidarity and competitiveness can be reconciled to the benefit of cohesion and prosperity in an EU of 27. This at least is the Committee of the Regions' view, and that is why it has given its broad support to the European Commission's proposals for a reformed and strengthened cohesion policy. The ball is now in the court of the cities and regions. You have spent a long time discussing this this morning, and I am sure that many suggestions have resulted from the comparison of the experiences in your various countries.

For its part, the Committee of the Regions has been working for over a year to have local and regional authorities recognised as players in the Lisbon Strategy. It started by launching a survey in October 2005, which confirmed that the situation was, with a few exceptions, unsatisfactory: only 17% of local and regional authorities felt that they had been properly involved in drawing up national reform programmes, and 80% of local and regional authorities did not feel that they had been adequately consulted by national governments.

In response, the Committee of the Regions held the first *Territorial Dialogue for Lisbon* on 1 March this year, which was attended by Commissioners Danuta Hübner and Gunther Verheugen, by the representative of the Austrian presidency, by MEPs and by associations of elected representatives. Following this meeting, a declaration was sent to the members of the Council. This initiative was welcomed, as the European Council asked the Committee for a follow-up report on the Lisbon Strategy for the 2008 Spring Council.

The Committee set up, on a voluntary basis, a network of regions and local authorities so as to monitor in detail, over the coming months, the progress made in terms of consultation and implementation of the Lisbon Strategy. Quantitative and qualitative indicators will be established to make up a barometer of the regions, comparing regions' advances, difficulties and expectations. The participating cities and regions will be able to share their experiences via an electronic platform, which will help them to structure this network.

In concrete terms, last May, the Committee launched a call for expressions of interest, which was immediately welcomed by the regions and cities. From September, we will be in a position to send out the detailed and full results of this. However, I would like to take the opportunity, while I am here with you, to say that Amsterdam will be involved in this monitoring exercise via the Randstad authority, which has volunteered.

I would also like to take this opportunity to give you some provisional results: so far, 113 authorities from almost all the Member States have asked to join the network; the response has been particularly strong in the Netherlands, Sweden, Italy and the United Kingdom; as many cities and sub-regional entities (provinces, *départements*, etc) as regions have responded, which confirms that Lisbon is a matter for every level of government. Finally, it appears that members of the Committee have been very good at stimulating this mobilisation. This is a very good demonstration of the potential of European local government, and I am pleased to note that local authorities, who had said in the October 2005 survey that they were ready to get involved in Lisbon, have kept their word.

Above and beyond the efforts of local and regional authorities, the Committee of the Regions believes that the key to the success of the Lisbon Strategy lies in consultation between the European Union, national governments and local and regional authorities. This is therefore an issue on which we will all be working together with the European Parliament, the Commission and our partners in the associations, whilst taking care not to limit ourselves to a generalised European view, but instead to raise the awareness of each country's authorities and government. The arrangements for such consultation are the very components of the multi-level governance we all want.

Under the reformed cohesion policy, the Committee of the Regions will pay ongoing attention to the governance of the Structural Funds. The strategic programming as provided for in the new regulations implies a strengthening of the partnership between the various levels of governance and the ownership of responsibility at all levels. On this issue, we have given our full support to the Parliament and the Commission in interpreting Article 10 of the general regulation on the Structural Funds, which seeks to involve cities and regions as fully-fledged partners in implementing cohesion policy. Most data indicate that *partnership* and *cooperative governance* are key to the success of structural policy.

In this area, the Committee of the Regions, at the European Commission's request, is preparing an outlook opinion on *The leverage effect of the Structural Funds*. For this purpose, we have set up a working group to assist the rapporteur for this opinion, Manuel Chavez Gonzalez, President of Andalusia. We are convinced that this discussion will make it possible to demonstrate that cohesion

policy can make an effective contribution to policies for growth by promoting partnership with local and regional authorities and civil society in carrying out structural projects.

2 – But what becomes of **territorial cohesion** in all this?

The fact is, there was little discussion of the Structural Funds during the negotiations, apart from the granting of some modest financial compensation during the last-minute horse-trading. As for the vocabulary connected with the Lisbon Strategy, it places more emphasis on competitiveness, innovation and excellence than on convergence, solidarity and offsetting handicaps.

However, I can assure you that the *territorial dimension of cohesion policy* is fundamental to the Committee of the Regions, as it neatly summarises our concerns as regards the implementation of multi-level governance.

Thus, the Committee has pressed the European Commission, and Commissioner Barnier in particular, very hard to give a legal value to territorial cohesion. It also warmly welcomed the Third Cohesion Report, which devoted a whole chapter to territorial cohesion. The Committee's representatives at the Convention actively worked towards the recognition of this third dimension of cohesion in the Constitutional Treaty. This is one of the main reasons for the Committee's support for its ratification and, subsequently, what has led it to continue to oppose any attempt to unravel the Treaty.

As far as the Committee of the Regions is concerned, and as Alain Rousset, President of Aquitaine, brilliantly summarised it in his November 2005 opinion on the strategic guidelines, territorial cohesion is a horizontal priority. It goes well beyond identifying areas with specific handicaps that require special treatment, such as the outermost regions, islands, external borders, upland areas, areas of low population density, arctic regions, etc.

As well as these objective geographical factors, the concept of territorial cohesion takes in dimensions of sustainability and solidarity. It forms part of the pursuit of a long-term objective for Europe: balanced and sustainable development. I will give a few illustrations.

At a time when there are more and more projects to modernise or build communication infrastructure aimed at facilitating trade between the new and the old Member States, it seems more necessary than ever to put the idea of *polycentrism* back on the agenda. It is imperative that we act so as not to exacerbate the concentration of wealth in a few regions. The work of ORATE/ESPON<sup>1</sup> is at this stage a very valuable research tool for the Committee.

If we are to understand the urban dimension of today's cohesion policy, we must not lose sight of what happens within cities when intolerable gaps open up between neighbourhoods. At the same time, the issue that is becoming increasingly urgent is that of *cities' relationship with their immediate surroundings, and in particular the countryside*. European spatial development is characterised by the

---

<sup>1</sup> ORATE: European Regional Planning Observatory (*Observatoire en réseau de l'aménagement du territoire européen* in French).

pursuit of urbanisation and by the dispersed expansion of cities into the countryside. This phenomenon, known as rurbanisation, in my view brings with it the risk of rural and urban identities in Europe being watered down in a big unmanageable melting pot. In view of this, it would be helpful if Community cohesion and rural development policies were more joined-up. Sadly, this is not the impression one is left with after an initial reading of the European Agricultural Fund for Rural Development (EAFRD) guidelines, which remains too heavily focused on farming activity.

The European Spatial Development Perspective (SDEC-ESDP) must be strongly reaffirmed so as to avoid some of the drift complained about by the European Environment Agency in its contribution to the informal Council of Ministers for a sustainable urban environment. In particular, the call of the EDSP must be accompanied by a clear and unambiguous call for the identity of rural territories and a better partnership between cities and their surrounding areas. This concern leads us to rethink the subsidiarity principle in more cooperative terms. This is a hot debate that needs to be launched at European level and a key aspect of the concept of territorial cohesion.

Finally, it must not be forgotten that the concept of territorial cohesion introduces, above all else, a new dimension of solidarity: that of *solidarity between territories*. Year after year, the Commission notes in its cohesion reports that the per capita income gaps between Member States are decreasing, whilst those between regions within Member States are increasing.

In my view, globalisation and the single market are causing increasing territorial divisions between areas that are successfully integrating themselves into the global economy and those that are unable to do so. The way the concept of territorial cohesion is understood needs to take greater account of solidarity between Europe's territories, alongside the "traditional" solidarity between citizens. At this time of rising globalisation, it is time to reinterpret Treaty Article 158 along those lines.

Thus, it is clear that territorial cohesion constitutes the third dimension of cohesion – the cohesion which, at European level, does not seek to standardise territories and make them all equal, but which seeks to address the largest gaps *whilst taking into account territorial and regional diversity*. We all know that this diversity is part of the richness of our continent, and that it demands original means of expression, such as subsidiarity, partnership and cooperation.

Far be it from me to advocate the creation of new agencies or statistical eligibility criteria. Instead, the idea is to develop tools that are conducive to balanced development across Europe. To do this, it is no good just giving a few extra community subsidies to vulnerable areas. Instead, we need to promote new forms of cooperation that are targeted to specific issues and backed up by significant resources.

It is precisely in territorial cooperation and all its aspects – cross-border, trans-regional, and interregional – that the link between the imperatives of cohesion and the Lisbon objectives is best expressed. By extension, this is also where the added value of the European project is expressed. This concern has also guided the Committee of the Regions, which has fought for territorial cooperation to become a fully-fledged objective of cohesion policy.

A study is under way at the Committee to assess – in the light of the current arrangements for managing cross-border, interregional and transnational cooperation – the conditions for implementing the new legal instrument that is soon to be created under the name of *European grouping for territorial cooperation* (EGTC). The Committee's support for this dimension will also lead it to engage in more in-depth discussions about the best ways of making the objective of territorial cooperation a success.

However, if it is to credibly get everyone involved on the basis of a bottom-up approach including the largest possible number of local players, the European Union needs *an appropriate level of resources*. The 2008 budget review is therefore a key stage in the inter-institutional agreement on the 2007-2013 financial perspective, and we are already on the case. In response to Commissioner Hübner's invitation, the Committee of the Regions will work in the medium term to ensure that local authorities' voices are heard in this debate. With this in mind, our concerns affect the evaluation of the effectiveness of cohesion policy, the impact of the Lisbon strategy and the ability of cities and regions to play their part in fulfilling its objectives, the convergence of sectors and areas that are lagging behind, including cohesion policy support for rural development.

In concrete terms, from the Committee of the Regions' point of view, local and regional authorities are making serious efforts to address the twin challenges of the Lisbon strategy and territorial cohesion. The first positive results of these efforts are beginning to be seen.

Inasmuch as regional policy is now part and parcel of the Lisbon strategy, local authorities are the best placed to achieve the objectives of competitiveness and dynamism that the EU has set itself. In order to respond better to the desire of cities and regions to get involved in the Lisbon strategy, we must call for greater consistency between the National Reform Programmes and the National Strategic Reference Frameworks, as well as for greater devolution of responsibilities in the implementation of regional policy.

Moving on to territorial cohesion, good progress is being made with making this a reality, thanks to the thought put in to the drafting of the Constitutional Treaty and thanks to the objective of territorial cooperation, soon to be joined by the EGTC. However, we need to keep up the pressure. From this perspective, we are looking forward to the date set by the future German presidency.

Let me conclude by sharing with you my secret hope: in a few years' time, I would like to see the three dimensions of cohesion – economic, social and territorial – becoming objectives of the Lisbon strategy. In other words, I would like our 25 heads of state to agree to *"make Europe the most competitive, dynamic and cohesive knowledge-based economy in the world"*.

Thank you.

---