

EUROPE'S REGIONS IN 2020

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Hahn: 'I want regional policy to keep its current budget'

EU regional policy is the best way to transform the 'Europe 2020' economic goals into concrete achievements, and it will need to keep its current chunk of the EU budget to do so, according to EU Regional Policy Commissioner Johannes Hahn.



Johannes Hahn is EU commissioner for regional policy.

Today is the start of Open Days - the European Week of Regions and Cities. What do you hope to achieve from this year's four-day gathering?

This is the eighth Open Days, an event whose success story has made it the market place for regional policy in Europe. We have about 6,000 participants in 130 seminars and meetings. It is an excellent opportunity for people to come to Brussels and exchange good and bad practice examples. Businesses, academics and NGOs come together and it seems to be a useful concept for them.

This year, the future of cohesion policy is the overall theme. We will present our cohesion report in November so there will be lots of talk, rumours and high interest during the Open Days, as is normal. It will certainly be used by some organisations to lobby for this or that.

For example, under the leadership of the governor of Lower Austria, 141 competitive [Regional Competitiveness and Employment, formerly Objective 2] regions have already signed a letter calling for the retention of Objective 2.

Do you see this type of mass lobbying exercise as something that disrupts the week or do they contribute to the big conversation?

I see them as being absolutely positive, as they display the power of regional and local policy and provide strong backing for myself and my policy as they will be seen by everyone in Brussels. It will be recognised by the president, the Commission and permanent representatives reporting to their governments.

And do you support their position with regards to Objective 2?

I have always supported them. As I said in my hearing, I stand for regional policy covering the entire EU as an investment policy and so fully support the initiative.

With regards to next budget, are you pushing for more funding and, if so, do you expect to be successful in getting it?

I always say that I ask for a reasonable budget to provide the regions and local levels with all the programmes and targets that we want to take into our focus. Therefore, it will depend on the overall budget but I think that a relevant part must be dedicated to regional policy.

Because of the system of shared management, regional policy is the most appropriate policy to deliver on 'Europe 2020' into concrete projects from the top to the ground. We need the money to make Europe more visible.

Aiming to keep the current level of funding will be the objective, but first we have to have the overall budget and then we have to 'shut the beer so that we can distribute the seal,' so to speak.

But on some level, it seems that the current trend is for EU member states to remove regional powers. The UK government, for example, is being

particularly hard on local bodies as a part of its austerity cuts. Realistically, how can you empower regions to deliver EU strategies on the ground when these same actors are having their funding taken away?

As I understand, this approach by the new British government is to abandon local bodies at one administrative level, but the further implementation of projects should not be affected by that.

They have to find a new structure for implementing policy and for auditing it. As far as I have seen, and heard, the main objective is to provide a signal on cuts without affecting policy.

Isn't there a risk, however, that other countries will follow the UK's example? Will this not jeopardise the ability of regional bodies to deliver in key areas like energy and climate change?

We have this issue of compliance assurance whereby we agree on auditing systems with member states - this is important for our overall financial performance. For the future, one of my big goals - in parallel with the performance orientation - is to have a more results-orientated policy, which means discussing what priorities are aligned with the 2020 strategy with member states and regions in order to have greater integration of policies.

The key words for this are 'focusing' and 'flexibility'. This means concentration on fewer priorities, with as much flexibility as is possible in their implementation. We have 271 regions across Europe, partly outside the mainland, so we have to have pyramid programmes and this is something that we will do in the future. This philosophy stems from the Barca report and is simply a further evolution of our policy.

You are a former city councillor from Vienna,

and as commissioner, you are often praised by urban lobbies for emphasising the urban dimension of EU policy. Now, my family home is a small island off Ireland's west coast. Is my region going to miss out as you prioritise urban areas?

Absolutely not - just because we have a focus on one point doesn't mean we lose the other. Our services are discussing having better interfaces between the Regional Development and Rural Development funds in order to avoid overlaps and reduce gaps. So I think that if you take the whole chain, everything should be covered.

Compared to the past, the urban aspect has been reduced in the current period (2007-2013), which is why I have fought for a greater emphasis to be placed on it.

The urban dimension is very important. For example, social inclusion is one of the great topics of regional policy, and this is highly relevant to urban areas. Likewise, 70-80% of CO2 emissions are taking place in cities, so if we want to contribute to the fight against climate change then the solutions have to come from there.

Do you see this shift towards a greater emphasis on the urban dimension as one of your greatest achievements so far?

If it happens, then it will be. Again, I want to stress that this focus won't mean losing sight of other regions, however.

Where do you stand on the debate as to whether funds such as the European Social Fund (ESF) should leave the regional framework?

It should remain under the structural framework. I think there is widespread agreement on this but we need to take the employment and social situation under account more. The two areas belong together. It doesn't make sense to invest in infrastructure - whether laboratories or schools - if you don't train people to use

them. There must be a kind of connectivity between the two areas and therefore they should remain in the structural policy but under the core responsibility of the member states to address.

Simplification of EU funding structures remains one of the key challenges of regional policy, and every regional commissioner says they will make it easier for citizens to access the funds. What can you say you have concretely achieved with regards to the simplification of funding?

For the first time, three amendments to our regulations have already been made by the European Parliament with the aim of simplification.

However, simplification does not always have to mean changing everything. At the moment, one of the big reasons for delays in the early 2007-2013 financial period was the delayed introduction of new regulations, meaning that it took time for beneficiaries to become familiar with these new rules.

If something is proven to be doing well, then it should be left alone and adjustments only be made where necessary. This is also a kind of simplification, but there is always room for more.

I must also say that some of the burdens are due to national regulations, but things are moving in the right direction in general.

We must always find a balance between the demand for simplification and the need to take care of taxpayers' money.

We have regulations concerning public procurement, for example, which ensure regional policy is in practice always in line with national state aid regulations. It is a work in progress, but if we find the right balance, we can continue to improve our policy.

See video interview:
http://www.youtube.com/watch?v=Tj6GFkjpFOE&feature=player_embedded#

Doubts grow over future EU budget for regions

As discussions intensify on the post-2013 EU budget, high-profile supporters of European regional policy, meeting in Brussels next week, are worried that regions will lose both funding and prominence in the coming years.

Should regional policy still get one-third of the EU budget after 2013? Will it remain one of the Union's preferred ways to achieve its economic and development goals?

These questions are set to dominate next week's Open Days in Brussels, where 6,000 regional stakeholders and policymakers will gather to discuss the policy's future.

Many leading regional policy players fear a reduction in funding from 2014, when the EU's next seven-year budget framework will start to apply. They have been increasingly vocal in defending the policy's role.

In an interview with EurActiv, Polish MEP Danuta Hübner, former European Commissioner for Regional Policy and current Regional Development Committee Chair of the European Parliament, explained that she hopes that high-profile backers, such as herself, "will successfully defend regional policy".

In the European Parliament, Hübner has been battling to strengthen recognition of the policy among MEPs "and build support for it". In her opinion, some member states, "notably the UK and the Netherlands, and to a lesser extent Sweden" have "objected to the very existence of regional policy".

Contrastingly, argued Hübner,

"Germany, despite being the largest net contributor to the EU budget, has a very positive attitude towards cohesion policy and regional policy".



Will Objective 2 regions be left out in the cold?

The former commissioner believes the reformed post-2013 policy should maintain its current share (one third) of the EU budget, and should strive to provide appropriate funding for all regions, not only the poorest regions.

Regional Policy Commissioner Johannes Hahn appears to be singing from the same hymn sheet. A recent draft of the long-awaited fifth Cohesion Report on economic, social and territorial cohesion, scheduled for publication in November and seen in advance by EurActiv, reaffirms the EU executive's policy of supporting transition regions.

However, this could change between now and November, as budget discussions continue in Brussels. As a result, EU regions, worried that such an about-turn could occur, are making their voices heard.

The State Government of Lower Austria has been leading the way, collecting 141 signatures from leaders of so-called RCE regions (Regional Competitiveness and Employment, or "Objective 2" - areas close to the EU GDP average which face particular development obstacles - urging EU leaders to protect their status.

Ilse Penders-Stadlmann, head of the State Government of Lower Austria's Brussels office, told EurActiv that 85% of all RCE regions had signed the letter. "It underlines the political importance of cohesion policy to the regions," she noted.

This position was echoed by Robert Collins, head of the Irish Regions Office in Brussels, who told EurActiv that "our concern is that Cohesion Policy post 2013 will be restricted to the very poorest regions with little consideration given to the uneven impacts that the current economic crisis is having across the EU".

He added that "our regions continue to experience negative growth and face serious economic and unemployment challenges, which if the Objective 2 (Competitiveness and Employment) strand is not continued will leave regions, such as the Irish regions, without support from Cohesion Policy as a time when they may need it most".

Commissioners urge Barroso to streamline EU funds

In a letter seen by EurActiv, four EU commissioners call on their president, José Manuel Barroso, to bring key EU funds under the same umbrella from 2014, in order to cut out overlap and ensure better strategic spending.

The letter, signed jointly by Commissioners László Andor (Employment and Social Affairs), Dacian Cioloș (Agriculture), Maria Damanaki (Fisheries) and Johannes Hahn (Regional Policy), calls for EU funding tools under their control to be brought under the same "strategic framework".

At present, the funds in question - the European Regional Development Fund (ERDF), the European Social Fund (ESF), the Cohesion Fund, the European Agricultural Fund for Rural Development (EAFRD) and the European Fisheries Fund (EFF) - have separate "strategic guidelines". In other words, they have a certain degree of autonomy in deciding where and how their significant purses should be spent.

A more sensible approach, argue the four commissioners, is to bring the funds together under the same strategic blueprint. This will not only cut out overlaps between the various funds, but also bring them closer in line with the EU executive's key 2020 strategy, which will decide the direction of EU spending priorities in the coming decade.

The letter effectively acknowledges that the present system is not optimal, and the new proposal would "help limit the fragmentation of the different

instruments and allow better prioritisation of EU funding".

Clearer, cheaper, better?

Furthermore, the commissioners claim that the new plan would also "ensure more clarity for member states, reduce administrative costs and would set the example for a more coordinated approach at national, regional and local level".

Initial indications suggest that regions would back such a move. The Council of European Municipalities and Regions (CEMR) yesterday (7 September) enthusiastically welcomed the proposal, arguing that local and regional authorities have had problems achieving the coherence of their projects in the past, precisely because of "the fragmentation of EU funding programmes".

The commissioners argued that the distinct characters of these very different funds should be maintained, but only after their broad direction has been set and streamlined from a central level.

"CEMR has been hoping for such a proposal for years as it would enable a more efficient local and regional development," said Frédéric Vallier, CEMR secretary-general, in a statement.

"We are very enthusiastic about the commissioners' proposal and hope that President Barroso and the Council will endorse it, with the European Parliament having already asked for this in the past".

Schneider: EU institutions are ignoring regions' assembly

The European Commission and EU member states have made "no contact" with the Committee of the Regions (CoR) during key debates on the future of European regional policy and the 2020 growth strategy for the coming decade - a big mistake, according to CoR member Michael Schneider.

German politician Michael Schneider is president of the centre-right European People's Party group in the Committee of the Regions (CoR) and rapporteur for the CoR opinion 'Contribution of the cohesion policy to the Europe 2020 strategy'.

Your opinion 'Contribution of the cohesion policy to the Europe 2020 strategy' was published recently. Now, everyone seems to agree that the post-2013 regional policy should integrate its goals into those of the 2020 strategy, but what do you say in response to the growing fears among many

regional stakeholders that the Commission and member states are only paying 'lip service' to this idea?

I share these fears. Up to this moment there has been no contact between the European institutions and the CoR. Since the launch of the Europe 2020 strategy in November 2009 neither the European Commission nor the European Council have made any attempt to invite the representation of local and regional authorities (LRAs) - i.e. the Committee of the Regions - to play an active role in developing the strategy.

Indeed, when it was finally

approved in June, it did not imply any concept of involving LRAs in implementation and monitoring of the strategy's goals. Moreover, I have not yet heard of any member state that has included its regions and cities in the discussion about implementing Europe 2020 or even informed them about the new strategy. As far as I can tell, there has been no sign that member states are willing to cooperate with the regions to make 2020 work.

I therefore place great value on the Belgian Presidency's formal request to the CoR for a contribution on Europe 2020 and Cohesion Policy, for this gives us the chance to "officially" offer our willingness - on behalf of

the CoR and all of the European regions and cities - to actively commit to the programming, the implementation and the evaluation of Europe 2020.

The request by the Belgian Presidency brought us into play. This is particularly important given that one of the reasons for the generally acknowledged failure of the Lisbon Strategy was the neglect or even exclusion of the LRA's ownership. We must not do this a second time round.

Will regional policy maintain its current share of the EU budget or will it decrease beyond 2013?



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Do you think it should keep its current level? Why?

I would very much like to see the current level of funding retained. We must remember that the purpose of cohesion policy is to strengthen economic, social and territorial cohesion so as to be able to promote the Union's overall harmonious development and reduce disparities between the levels of development of the various regions and the backwardness of the least favoured regions. It is therefore an essential policy for the future of the Europe and one which can contribute to the accomplishment of the Europe 2020 objectives and goals.

However, it is also important that cohesion policy remains a policy in its own right and that it has sufficient funding to promote regional development.

Another important factor to consider when discussing the budget allocation is that cohesion policy has proven its worth in particular with regard to the financial crisis. Here we can see that it has been a key element of our response and I strongly believe that it should be a cornerstone of the European exit strategy and the future strategy for achieving better jobs and growth.

I think [Regional Policy] Commissioner [Johannes] Hahn knows what we are talking about, but he's not the Commission – he's just one commissioner. I don't think the regional policy budget will decrease too much. With the crisis there is more need for it than ever, and some though not all member states have recognised that fact.

Nevertheless, there is a real danger to the regional policy

budget that because of the 2020 strategy more sectoral policies such as research and innovation will try to draw money from cohesion funds.

Do you support the initiative by Objective 2/ RCE regions calling for this strand to be maintained? Do you believe the future policy should continue to apply a broad focus to all regions, or place a stronger emphasis on Objective 1 regions?

In my view, all regions throughout the European Union should have the possibility to benefit from cohesion funding.

Cohesion policy support must continue to focus on the weakest and most ailing regions and as such we call for fair transitional arrangements to be put in place for the regions that are no longer eligible for maximum support after 2013, but that still have ongoing problems. In this way, it will still be possible to maintain the achievements in those regions and to ensure sustainability.

However, that said, support must also continue to be given to those regions that are already contributing significantly to the EU's competitiveness. And finally, even economically stronger regions have structurally less developed regions that also need support.

Has the Commission done a good job in setting the ball rolling for simplification on funding mechanisms? What remains to be done?

In fighting the crisis some progress has been made in simplification, but unfortunately

this was not a breakthrough. A more fundamental approach is necessary here.

For example: the co-financing principle could also mean that rules for calculating resources were aligned more closely on national targets and through certification of national systems costly duplication in administrative and control structures might no longer be necessary. Why not implement European funds under the budget rules of the member states?

How do you believe a more results-oriented regional policy will function? How will these results even be measured? Can you give us concrete examples?

During the latest discussions on the reform of the structural funds a number of questions have been raised as to how far European targets should take precedence over development strategies geared to regions.

Whilst co-financing and earmarking aim to ensure that both European and national efforts are made towards economic, social and territorial cohesion, we must also find ways and means to take regional characteristics into account.

I would therefore propose that the use of leverage effects could be one way of measuring and analysing the results of cohesion policy. Through direct intervention on the ground, it should be possible to see the "added value" of cohesion policies.

The UK government is currently axing an entire administrative level of regional/local authorities. How do you view this austerity measure?**Do you believe other countries will follow suit? How can EU regions be empowered to take action in implementing, for example, Europe 2020, if national governments are downgrading them?**

I cannot really comment on the decisions of the UK government. In Germany, due to its federal system, such a move would be impossible.

However, I am convinced that regions need to be empowered rather than downgraded – especially in view of the Europe 2020 strategy. The Committee of the Regions will therefore adopt a document on Territorial Pacts and monitoring of the Europe 2020 strategy at its Bureau this evening in order to make this concrete contribution.

In the Commission document Governance, Tools and Policy Cycle of Europe 2020, member states are encouraged to involve LRAs in their National Reform Programmes and moreover, the Programmes should identify how the national authorities plan to involve them in the definition and implementation.

Territorial Pacts could therefore be seen as a tool for all government levels involved to work in partnership on the implementation of Europe 2020 and its flagships in a coordinated and integrated way. The EPP [European People's Party] Group hopes to be able to better examine the possibilities of such Pacts by looking at the Digital Agenda flagship as a case study during its Group meeting in Helsinki this November.

Commissioner Hahn has consistently pushed for a stronger urban**dimension in regional policy strategies? Is this the right way to proceed?**

With over 56% of the population in the 27 member states of the European Union living in rural areas, which cover 91% of the territory, rural development is a vitally important policy area. However, cities drive growth and innovation, while fighting poverty and social problems in certain areas. The urban dimension must therefore be a substantial part of cohesion policy.

Interventions of structural funds in cities post-2013 will be necessary because of the specific exposure of economic, social and territorial cohesion they have to struggle with.

Finally, what do you believe is the value of an exercise like the Open Days? What do you hope will be achieved from this year's gathering?

I welcome the OPEN DAYS: European Week of Regions and Cities and see it as a good opportunity to showcase the achievements of regional policy. This year I am particularly looking forward to the opening ceremony at which I will speak on behalf of the EPP Group.

I will use the opportunity to share our views on the future of cohesion policy and its use in the Europe 2020 Strategy with the leading politicians who will be in attendance.

In addition, the now annual meeting between the REGI Committee of the European Parliament and the COTER Commission of the Committee of the Regions focussing on the same topics will allow us to further debate these important topics!

Budapest Mayor: Cutting regional funds could harm EU social equality

Any future cuts in EU regional funds could damage the ability of local and regional bodies to balance economic development with vital social and environmental changes, according to outgoing Budapest Mayor Gabor Demszky.



Gabor Demszky this week retired as mayor of Budapest after five election victories and almost 20 years in the job. He provided EurActiv with an overview of his city's experience of using EU regional funds, and gave his input into the debate on the future of EU regional policy, currently being hotly discussed at the Open Days in Brussels.

Overall, do you feel that your/city region has benefited from EU regional/cohesion funds? What is the 'added value' of EU structural/cohesion**funds compared to national funding mechanisms?**

Budapest has benefited substantially from EU regional/cohesion funds. The city, with 1.7 million inhabitants, forms together with the surrounding Pest County (1.2 million people) one of the seven Hungarian NUTS2 regions, called the Central Hungarian Region.

As the GDP per capita of this region has surpassed the 75% benchmark of the EU average, this region was classified as a 'phasing in' region, so it was treated as a convergence region in the first half

of the planning period but then very quickly lost its eligibility for the higher amounts of Structural Fund money. Currently, large investments are co-financed with European money, such as the fourth metro line of the city or the central sewage plant (the largest environmental project in Central Europe).

The largest 'added value' of EU structural/cohesion funds compared to national funding mechanisms is the simple fact that the EU money made possible these large - and also many other, smaller - projects which could not have been financed otherwise.

Furthermore, the EU structural/cohesion funds helped to (re-)introduce into Hungary long-term planning which disappeared with the political changes of 1989-1990. The methodological aspects of the implementation rules were also very important in helping to modernise the national and local systems.

What problems has your city experienced in absorbing cohesion funds? Do project leaders and managing authorities

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experience problems with complicated application rules?

Application and implementation rules do not seem to be too complicated as far as written regulations are concerned, but managing authorities interpret some written rules differently which makes it quite difficult for a city like Budapest to manage its high number of projects in a coherent way.

The administrators of the managing authorities do sometimes not have any project implementation experience and therefore are not equipped to understand the mechanisms within a project. This can pose problems, especially in connection with public procurement procedures.

The unit within the Budapest Municipality responsible for implementation has managed to build up good relations with the managing authorities. As a result, they have finally understood the difficult mechanisms within the municipality (a two-tier local government system, in which all the 23 districts have directly elected assemblies and directly elected mayors), thus working together for the success of the projects is not a problem in general.

What is your assessment of new Regional Policy Commissioner Johannes Hahn? Has he identified the right priorities? What could he be doing better?

I met the new Regional Policy Commissioner Johannes Hahn personally in Toledo, Spain, during the informal ministerial meeting on urban issues in early 2010 (where I represented Eurocities). Both his official discourse and our private discussion gave me the

impression that he has a very good overview about the problems of the European territories. He gives the necessary attention to the large cities of Europe, which already now (and even more in the future) act as the most dynamic actors of development, together with their surrounding areas.

At the same time I understand that he has no easy task to represent this view in a Commission which seems to be less space-sensitive than it should be. I would urge him to continue the fight for the idea of a strong cohesion policy in which dynamic cities play a leading role to plan and implement integrated development.

Do you think the priorities identified by Europe 2020 (which in turn are likely to become the priorities for earmarking regional funds after 2013) are the right ones? What could have been different or better?

In principle the EU2020 contains all important tasks and rightly aims to bring together the social, economic and environmental dimensions of development. I am deeply convinced that all three of these aspects are important and have to be treated in their mutual combinations and interdependence, instead of one-by-one.

Do you believe the Europe 2020 strategy gives the regions enough prominence? Could the Commission have gone further in making regions/local authorities a central stakeholder in the strategy?

This is my major problem with the EU2020 document. It mentions 'cities' only once

and has no real sub-national dimension. The quick adoption of the document and, even more seriously, the short deadline given to member states to develop their 2020 programmes makes the involvement of the regions and cities practically impossible.

Under these circumstances there is a real danger that the EU2020 will do no better than the Lisbon Strategy: the aims accepted on national level will not become accepted and followed by the regions and urban areas. This is very problematic as these are the territorial levels where real integration of the three main dimensions of development can be assured.

Where does your city stand in the debate on the future of EU regional/cohesion policy? What changes would you like to see brought in?

Integrated development is the main idea we believe in. Integrated across the sectors and also across the territories: the functional urban areas should be the units of integrated planning, with the urban centre in the lead. Although the current regulations allow for urban priorities in the operational programmes and for delegation to cities, in practice neither is being used sufficiently. This is severely limiting the impact of cohesion policy.

For the next period mandatory urban priorities will be essential. The principal cities in a region or functional area should be directly involved in setting these priorities. This will require a true multi-level governance approach. Cities should get a stronger role in determining the appropriate scales of intervention, they should get the opportunity to manage urban measures directly and they should receive delegated funding.

Do you think the budget for EU regional/cohesion policy should remain at its current level beyond 2013 (approx. 33% of combined EU budget)? Why?

The challenges are growing while the financial crisis makes it practically impossible that the 'cake', i.e. the total amount of the EU budget, could be increased. The growing importance of the climate and the demographic challenges can easily lead to a situation where not only the Common Agricultural Policy but also cohesion policy are crowded out. This would be a pity and would lead to the collapse of the EU2020 strategy. Pure technical interventions might improve slightly the performance in a given sector but could consequently lead to more harm in other sectors.

An ideal example is the sustainability-oriented rules for new housing construction, as a result of which housing units become more expensive and social inequalities grow.

It is a major task to explain to European decision-makers (and also to our national leaders) that local integrated development is the only way to combine and strengthen the objectives of Europe 2020. This is best done in our cities and functional areas, supported by a strong cohesion policy. Thus urban areas and their large cities have key role to play in the post-2013 cohesion policy

The European Regional Development Fund (ERDF), the European Social Fund (ESF) and the Rural Development Fund should be aligned to support cohesion policy and integrated local development. Separating the ESF from the structural funds would in our view undermine an integrated approach and territorial cohesion.

Do you believe events

such as the Open Days serve a useful purpose in developing debate about the future of EU regional policy or are they an expensive waste of money?

Budapest has participated in the Open Days as a co-organiser of seminars since 2004. I think that the real use of events like the Open Days is that it stimulates regions and cities to work together on common interest issues and then present the results to decision-makers and other regional policy stakeholders. In this regard the Open Days contributes to the debate about the future of EU regional policy or other European policies in proportion as representatives of those who shape these policies are there to listen.

Another useful outcome depends on the practitioners themselves. If they attend a good number of meetings, are listening carefully and contributing actively, then the Open Days can be a very rich source of knowledge for them, as they get the opportunity to meet their colleagues from many other cities and regions and receive information and ideas which would otherwise fail to reach them.

Can you describe, in your own words, how Budapest has changed since EU accession?

EU accession has resulted in a set of positive changes for Budapest, having provided not only financial resources, but also new approaches, models and networks for the elaboration of urban development policy – what we call 'humanised urban reform'. Due to the EU support we have received since 2006, we could focus in parallel on social, educational and youth strategies and necessary economic development.

EU to fund 'resource revolution', with strings attached

Brussels will have to come up with stricter conditions in delivering EU funds and citizens will have to make wide - and sometimes difficult - changes to their lifestyles if the EU is serious about accelerating resource efficiency, experts said yesterday (5 October).

Speaking at a panel debate during the Open Days in Brussels, policymakers and industry experts agreed that in order to speed up Europe's drive to become a more resource-efficient economy, major changes were needed.

Echoing the sentiments of

EU Environment Commissioner Janez Potočnik, Polish centre-right MEP Danuta Hübner, chair of the European Parliament's regional development committee, argued that while good laws exist at both at European and national level, this cannot in itself guarantee the type of changes needed.

'Civilisational change' needed

What is required is nothing less than a "civilisational change," she said, which will on the one hand force EU citizens to change the

way they live and consume, and on the other hand demand that EU leaders take a truly long-term focus.

Comprehensive new EU rules for resource efficiency will have to widen their scope beyond the traditional questions of energy use and promote changes in transport, water use, food consumption, building rules and the use of metals, to cite a few examples.

Tie funding to efficiency rules – Commission

Rudolf Niessler, a director in the Commission's regional policy department, said that regional funds have already "accumulated an enormous stock of projects" to improve resource efficiency, so EU efforts are not starting from scratch.

Nevertheless, there is still a long way to go in "generating the new culture" needed, he said.

For example, greater so-called "conditionality" should be imposed on EU funding principles in the future, he argued. In other words, any tender applying for regional money would need to

clearly demonstrate a commitment to efficiency and "green" values in order to get the approval.

Niessler denied that such "strings-attached" rules would be used to punish inefficient projects. Rather, it would be a way to put problems on the table at the earliest possible stage and then find solutions, he claimed.

This approach was backed by Flo Clucas, president of the liberal ALDE group in the Committee of the Regions (CoR), who said that conditionality was crucial

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to spur a transformation towards a low-carbon economy. "Project leaders have to be told that if they don't have a sustainability plan in place, they

won't get the money, she argued.

From an industry perspective, improved research and innovation will play a key role in ensuring that the right new technologies are available for EU consumers

to do their bit in the "resource revolution" and allow for technologies to be produced on larger scale, said Francis Bailly, vice-president of European affairs at industry titan GE.

However, current rules for accessing EU research funding aren't simple enough, he cautioned, admitting that projects with greater risks should be given a better chance.

Decision-makers also underlined

that the new framework for regional funding should allow for more collective decisions. Behavioural shifts do not happen only at one level, and all players should be involved, especially SMEs.

Panel wants EU regional payouts centralised in Brussels



There are compelling reasons for the EU's institutions – and not its member states – to remain the central distributors of regional funds, a panel of high-level experts concluded in Brussels yesterday (7 October).

Despite the need for certain improvements, the European Commission retains an "added value" that national governments lack in distributing EU regional funding, said experts at a regional policy event organised by the EU executive.

Participating in an Open Days debate on whether richer EU

regions should continue receiving a portion of cohesion funds in the 2014-2020 period, analysts broadly agreed that handing down control to the national level was not the answer.

With discussions on the post-2013 EU budget due to start next week, many questions remain open: Will regional policy maintain its overall chunk of the EU budget? Will it serve as one of the primary vehicles for achieving the 'Europe 2020' strategy for growth?

And finally, who will ultimately distribute the money in order to

achieve its objectives?

There was broad agreement that the starting point of the budget discussion, and consequently the role and scope of the future regional policy, should centre on the Commission's 'Europe 2020' economic blueprint, which EU leaders endorsed this summer.

National governments – not to be trusted to deliver EU goals?

Hans Martens, who heads the European Policy Centre (EPC) think-tank in Brussels, questioned the wisdom of giving control of cohesion funds to member-state governments, given their recent failure to use stimulus spending to promote agreed EU targets of green growth and innovation.

Instead, governments ploughed the money into keeping people in traditional jobs, such as the automotive sector, he argued. How, then, could they be trusted to use funds to deliver the 2020 targets, he asked.

Iain Begg, a professor at the London School of Economics, noted that with regard to cohesion policy, there are two competing ambitions: to support the less well-off regions, and the aims of competitiveness and boosting

growth, which are now firmly tied into EU recovery packages.

"If 2020 is the underlying goal, is cohesion policy the striker to score that goal?" Begg asked. "Or should the policy's remit be narrower, focusing on solidarity and redistributing wealth?"

Many experts have made an argument in recent months that EU money should be pumped into so-called "sectoral" funds – research, innovation, biotech, green energy solutions – rather than using the more traditional method of regional funding.

However, Jean-Charles Leygues, a former deputy director of the Commission's regional policy section DG Regio, said that cohesion policy is designed to finance things that the market alone will not provide. "Will the market plus sectoral policies correct these imbalances? – No!" he argued forcefully.

Dirk Ahner, current director at DG Regio, believes regional policy retains an ability to deliver on both fronts.

"My impression," he said, "is that we will keep the existing cohesion policy instruments," though he added that these may have to be rebalanced in the coming years.

No consensus on whether rich regions should keep funding

However, the analysts disagreed on the actual subject of the debate, which centred on whether richer EU regions should continue receiving a portion of cohesion funds in the 2014-2020 period.

Simon Tilford of the UK-based Centre for European Reform think-tank declared himself sceptical about better-off regions getting money, even if they are relatively poorer in their own countries.

"National regional policies need to be rethought," he said, adding: "I don't see the case for depriving poor countries of needed funds when rich nations have failed to redistribute wealth within their own territories."

Ahner countered that there is a "huge amount of evidence that there is a real added value" to giving some funds to richer regions, who make effective use of the money.



See video interview:

http://www.youtube.com/watch?v=QwjQI_CWoy0&feature=player_embedded

Barroso urges regions to get more involved

European Commission President José Manuel Barroso yesterday (4 October) told regional and local leaders that they need to get more involved in the debate on the future of EU regional policy.

Barroso was scheduled to make a "live" appearance at the opening ceremony of the annual Open Days – a four-day "think-in" hosted by the European Commission and the Committee of the Regions (CoR) – but had to cancel due to a meeting with new Australian Premier Julia Gillard.

Speaking instead via video message, Barroso told the regions that they would be key players, not only in making the new post-2013 regional policy a success, but also in ensuring that the future policy does its part to enable the success of the Commission's 2020

strategy for sustainable growth in the coming decade.

Raise your voices, Barroso tells regions

However, regions have to make their voices heard if they want to play their part, he added, telling the delegates that "you need to increase your role in this dialogue".

This point was echoed by former CoR President Michel Delebarre from France's Nord-Pas-de Calais Region. He warned the assembled representatives that they must work harder to make the case for greater local and regional involvement in the 'Europe 2020' strategy, not only in Brussels but also in the member states.

This was vital, he added, because while EU Regional Policy

Commissioner Hahn understood the importance of cities and regions, many of his colleagues still needed to be convinced.

Regions will raise their voices if given a platform

While some were of the view that regions need to raise their voices, other delegates took a firmer line with the Commission and national leaders, arguing that, in fact, these needed to give regions a better platform to raise their voices from.

Michael Schneider, president of the centre-right European People's Party group in the CoR, told the opening session that the Lisbon Strategy – the EU's 10-year plan preceding Europe 2020 – had not reached its goals because

the regions and cities weren't sufficiently involved.

He warned that the EU must not make the same mistake with the implementation of the 2020 strategy.

Basic principles of cohesion policy to stay

Concerning the EU's future regional policy, Barroso said it will not be radically different from the existing one, telling delegates that the "basic principles" would remain in place.

Nonetheless, he hinted at certain changes that are likely to appear in the 5th Cohesion Report, which will appear in mid-November and will contain the broad brushstrokes of the EU executive's plans for the post-2013

regional policy.

The focus will be on making the spending of funds more efficient and increasing the "added value" of the EU therein, and also continuing the drive to simplify access to and distribution of regional money, he noted.

Echoing sentiments expressed in yesterday's interview with EurActiv, EU Regional Policy Commissioner Johannes Hahn argued that the goals of the future policy needed to be clearly interlinked with those of "big picture" strategies such as Europe 2020.

Some currently argue that cohesion policy is "only loosely linked to EU priorities," he noted, adding that "we need to take this criticism very seriously" in redesigning the post-2013 policy.

Additional coverage on the EurActiv Network:

EurActiv.fr

Barroso presse les régions de s'investir davantage

<http://www.euractiv.fr/barroso-presse-regions-investir-davantage-article>

Les régions de l'UE réunies à Bruxelles pour sauver leur budget

<http://www.euractiv.fr/regions-ue-reunies-bruxelles-sauver-budget-article>

L'Île-de-France veut conserver ses fonds régionaux

<http://www.euractiv.fr/ile-france-veut-conserver-fonds-regionaux-article>

Jean-Yves Le Drian : « Tout ne relève pas de la stratégie UE 2020 »

<http://www.euractiv.fr/jean-yves-drian-releve-strategie-ue-2020-interview>

L'agenda de la semaine du 4 au 10 octobre

<http://www.euractiv.fr/agenda-semaine-octobre-article-0>

EurActiv.de

„Europa muss neoliberale Agenda hinter sich lassen“

<http://www.euractiv.de/regionalpolitik/artikel/europas-muss-neoliberaler-agenda-hinter-sich-lassen-003747>

Hahn: Regionalpolitik muss ihr Budget behalten

<http://www.euractiv.de/regionalpolitik/artikel/hahn-regionalpolitik-muss-ihr-budget-behalten-003741>

Konflikt um Sitze im Ausschuss der Regionen

<http://www.euractiv.de/regionalpolitik/artikel/konflikt-um-sitze-im-ausschuss-der-regionen-003740>

Kohäsionspolitik: Wird Europa unsichtbar?

<http://www.euractiv.de/regionalpolitik/artikel/kohaesionspolitik-wird-europa-unsichtbar-003735>

EurActiv.sk

EP: Regionálna politika by sa mala zameriavať viac na výsledky

<http://www.euractiv.sk/regionalny-rozvoj/clanok/ep-regionalna-politika-by-sa-mala-zameriavat-viac-na-vysledky-016039>

Centrom prerozdelenia eurofondov by mal ostať Brusel

<http://www.euractiv.sk/regionalny-rozvoj/clanok/centrom-prerozdelenia-eurofondov-by-mal-ostat-brusel-016017>

EÚ „ignoruje“ Výbor regiónov

<http://www.euractiv.sk/regionalny-rozvoj/clanok/eu-ignoruje-vybor-regionov-016009>

„Škrtenie eurofondov by mohlo negatívne ovplyvniť sociálnu rovnosť“

<http://www.euractiv.sk/regionalny-rozvoj/clanok/skrtenie-eurofondov-by-mohlo-negativne-ovplyvniť-socialnu-rovnost-015998>

Barroso chce, aby sa regióny viac zapájali

<http://www.euractiv.sk/regionalny-rozvoj/clanok/barroso-chce-aby-sa-regiony-viac-zapajali-015988>

Budúca úloha regiónov v EÚ a ich financovanie je stále neisté

<http://www.euractiv.sk/regionalny-rozvoj/clanok/buduca-uloha-regionov-v-eu-a-ich-financovanie-je-stale-neiste-015973>

EurActiv.cz

Zapojte se do debaty o regionální politice, vzkázal regionům Barroso

<http://www.euractiv.cz/regionalni-rozvoj/clanek/barroso-regiony-se-musi-vice-zapojit-do-debaty-o-regionalni-politice-007965>

Na regiony by mělo i v budoucnosti proudit stejně množství peněz, říká komisař Hahn

<http://www.euractiv.cz/regionalni-rozvoj/clanek/na-regiony-by-melo-z-budoucni-rozpocet-eu-proudit-stejne-mnozstvi-penez-rika-komisar-hahn-007960>

Tomáš Chmelík: Elektromobilita v EU potřebuje jednotné standardy

<http://www.euractiv.cz/energetika/interview/tomas-chmelik-elektromobilita-v-eu-potrebuje-jednotne-standardy-007975>

EU potřebuje silnou a dobře financovanou regionální politiku, shodli se europoslanci

<http://www.euractiv.cz/regionalni-rozvoj/clanek/eu-potrebuje-silnou-a-dobre-financovanou-regionalni-politiku-shodli-se-europoslanci-007979>

EurActiv.hu

Demszky: a városok adják a 2013 utáni kohéziós politika kulcsát

<http://www.euractiv.hu/regionalpolitika/interju/demszky-a-varosok-adjak-a-2013-utani-kohezion-politika-kulcsat-003005>

Hahn: „A célunk az, hogy fenntartsuk a támogatás jelenlegi szintjét“

<http://www.euractiv.hu/regionalpolitika/interju/hahn-a-celunk-az-hogy-fenntartsuk-a-tamogat-as-jelenlegi-szintjet-002997>

EurActiv.ro

Comisarul Johannes Hahn: „Vreau ca politicile regionale sa-si pastreze bugetul actual“

http://www.euractiv.ro/uniunea-europeana/articles|displayArticle|articleID_21178/VIDEO-Comisarul-Johannes-Hahn-Vreau-ca-politicile-regionale-sa-si-pastreze-bugetul-actual.html

EurActiv.bg

Еврокомисар настоява ЕС да не намалява парите за регионална политика

http://www.dnevnik.bg/evropa/evrofinansirane/regioni/2010/10/04/971165_evrokomisar_nastoiava_es_da_ne_namaliava_parite_zal

Стратегията „Европа 2020“ може да се провали без участието на регионите

http://www.dnevnik.bg/evropa/evrofinansirane/regioni/2010/10/05/971967_strategiata_evropa_2020_moje_da_se_provali_bez/

България иска да е национален координатор за развитието на туризма по Дунав

http://dnevnik.bg/evropa/evrofinansirane/regioni/2010/10/06/972425_bulgariia_iska_da_e_nacionalen_koordinator_zal

Силните региони са бъдещето на Европа, смята холандски кмет

http://dnevnik.bg/evropa/evrofinansirane/regioni/2010/10/05/971910_silnite_regioni_sa_budesheteto_na_evropa-smiata/

Регионалните власти се оплакаха, че Брюксел ги пренебрегва

http://dnevnik.bg/evropa/evrofinansirane/regioni/2010/10/08/973049_regionalnite_vlasti_se_oplakaha_che_brjuksel_gi/

България иска да е национален координатор за развитието на туризма по Дунав

http://www.dnevnik.bg/evropa/evrofinansirane/regioni/2010/10/06/972425_bulgariia_iska_da_e_nacionalen_koordinator_zal/

EurActiv.pl

Schneider: unijne instytucje ignorują Komitet Regionów

<http://www.euractiv.pl/politykaregionalna/artukul/schneider-unijne-instytucje-ignoruj-komitet-regionow-002124>

Dowgiewicz: nie zniechęcajmy państw Partnerstwa Wschodniego

<http://www.euractiv.pl/politykaregionalna/artukul/dowgiewicz-nie-zniechcajmy-pastw-partnerstwa-wschodniego-002125>

EurActiv.es

Comienzan las jornadas de puertas abiertas de las regiones europeas en un momento de dudas sobre su futura financiación

<http://www.euractiv.es/noticias/politica-regional/noticia.php?noticia=1516>

Cantabria defiende su estrategia de energías marinas durante la Semana Europea ‘Open Days’ en Bruselas

<http://www.euractiv.es/noticias/politica-regional/noticia.php?noticia=1549>

EUROACE se presenta hoy en Bruselas

<http://www.euractiv.es/noticias/politica-regional/noticia.php?noticia=1532>

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