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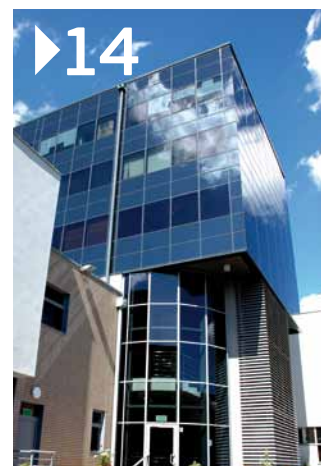
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► EDITORIAL



One of the innovative ways to improve the effectiveness and efficiency of the EU's regional policy is the use of financial instruments. These support mechanisms which range from financial engineering techniques to technical assistance facilities can help attract further funding and bring on board additional expertise and know-how.

Developed and refined during the 2007-2013 programme in cooperation with the European Investment Bank, these innovative financial instruments are now a significant element of the next multi-annual financial framework (2014-2020). They aim to leverage extra investments for the delivery of the Europe 2020 objectives, which means targeted investments in sustainability, new technologies, promotion of skills and innovation. These are exactly the areas which need to be boosted to create jobs and growth.

Open Days 10 years on

This October we are celebrating 10 years of the European Week of Regions and Cities – Open Days. This week-long gathering has become the key annual event for regional and local authorities. It offers them the opportunity to meet in Brussels with regional, national and European decision-makers and to showcase the projects and actions in their regions and their contribution to EU cohesion policy.

Organised in cooperation with the Committee of the Regions the theme of this year's Open Days is 'Europe's regions and cities: Making a difference'. The event will be the opportunity to ignite the debate on the future of Europe, its cohesion policy and its multi-level governance.

The inspiration of Delors

In this context we have the honour of talking to former President of the European Commission Jacques Delors about the progress of Europe's cohesion policy. Today's cohesion policy is very much the inspiration of the former President who saw the need for action to balance the development of the regional economies of Europe. Irrespective of the imperatives of the economic crisis, the arguments for a regional policy based on solidarity, cohesion and smart and targeted investments are as valid as ever.

A handwritten signature in black ink, appearing to read 'J. Hahn'.

Johannes Hahn

Member of the European Commission in charge of Regional Policy

▶JACQUES DELORS – REFLECTIONS ON COHESION POLICY



In an interview with *Panorama*, Jacques Delors, former President of the European Commission 1985-1995, has stressed the continued importance of cohesion policy for the future development of the regions of Europe and calls for a radical recalculation of the economic wellbeing to ensure that the full benefits of regional development are taken into account.

Economic crisis

While it is vitally important to improve the competitiveness of Europe and create jobs once more, cohesion policy must not be confused with competitiveness policy, stresses the former President of the European Commission, Jacques Delors.

‘It is important to distinguish between the European solidarity in the face of the economic crisis and the overriding solidarity of Europe. They are two different things. When there is a fire, we of course need the fire brigade, but at the same time we also need the architects who are working for the long term. Indeed it is my view that structural policy should not be sidetracked by the need to respond to the crisis. It has its own logic, which can if necessary be adjusted according to changing economic reality.’

Speaking to *Panorama* from his office at the Notre Europe think tank in Paris, Delors rejects the view that EU regional policy is just a redistribution policy. ‘For me regional policy is above all an instrument for development, which has the added value of a redistribution effect.’

The former Commission President stresses the importance of having a bottom up approach to EU policy. ‘In today’s Europe of 27 countries we cannot neglect this bottom up dimension, which also embodies one of the philosophical points of European construction which is subsidiarity.’

‘The level of divergence of economic development in certain regions was always the reality we faced and cohesion policy was designed to enable the underdeveloped regions to withstand competition and at the same time contribute something

‘It is important to distinguish between the European solidarity in the face of the economic crisis and the overriding solidarity of Europe.’

to Europe. All the proposals we developed followed my overriding triptych principles of: "Competition, cooperation and solidarity". You cannot remove one of those elements and successfully build Europe.'

Measuring economic development

But how should we measure economic development, Delors asks. 'Compared to 10 years ago we find that it now takes us 45 minutes to get to work instead of 30. Traffic delays are increasing while GNP is increasing because we have consumed more cars and petrol. I conclude that inhabitants have lost half an hour to an hour of free time and they have not been enriched.'

A key issue for the former economist is how these factors are being measured. 'Our current accounting measure is GNP but this does not effectively cater for the notion of well-being. We need a new way to calculate performance, particularly in the regional context. When we have such a performance measurement system we will realise that there is a lot of new wealth in the regions.'

Delors was in fact the author of a book on this topic 'Les Indicateurs sociaux' in 1971 and it is currently a topic greatly discussed by economists. 'We cannot move to a new model of development and yet stay with the traditional methods of calculation applicable to classic growth.'

'We cannot move towards a model which caters for man's leisure time and for nature and resources without changing our method of calculation. We have to totally re-think the way we calculate economic performance. And if we do move towards a different method of calculation then regional policy will appear much more useful.'

Origins of cohesion policy

'Before I arrived at the European Commission in 1985 there was the social fund and the regional fund, the agricultural fund,' Delors explains. 'They already existed. When undertaking the accession negotiations with Spain and Portugal, there was concern among the southern members of "the 10" about the different levels of development. To meet these concerns we proposed the Integrated Mediterranean Programme (PIM). This was the first example of coordinated regional cooperation to resolve the economic and social problems of the Mediterranean region.'

'It was the success of the PIM which led to idea of coordinated action or "synthese" and I proposed this idea of economic and social "cohesion" which became a reality through the creation of the cohesion policy. It was evident that the Single Market could not progress without an economic and social cohesion policy. This became one of the foundation stones of the Single Act which I believe revived Europe.' ►►



PROFILE: JACQUES DELORS

Jacques Delors was President of the European Commission from 1985 to 1995 and was the first person to serve three terms in that office.

An economist by training he served in the European Parliament from 1979 to 1981, becoming chairman of its Committee on Economic and Monetary Affairs.

Under President François Mitterrand, Delors served in France as Economics and Finance Minister from 1981-1983, and Economics, Finance, and Budget Minister from 1983-1984.

During his Presidency of the Commission he laid the groundwork for the introduction of the EU's Single Market which came into effect in January 1993. As part of this programme he promoted the development of a cohesion policy for regions of Europe.

In 1996 Delors founded the Paris-based think tank Notre Europe and remains one of its presidents.

In 2010 Delors supported the new initiative Spinelli Group, which was founded to reinvigorate the strive for federalisation of the European Union (EU).



Bringing the citizen closer

Delors believes that cohesion policy is a way to bring the European project closer to the European citizen and is a way to remedy the democratic deficit.

He points to the thousands of projects that are financed through cohesion policy which are a demonstrable proof to citizens at grass roots level that the EU is working for them.

Partnership with the regions

He remains passionate about protecting and promoting the Commission's right of initiative and its front-line role in dealing with the regions.

'What I wanted at the outset was a real partnership between the regions and the Commission. This is not, he explains, a Europe of the regions working against the Europe of nation states. It is moreover a partnership between the Commission and the regions through which the Commission would be able to develop an extensive range of tools to promote regional development and at the same time spread good practice.'

‘What I wanted at the outset was a real partnership between the regions and the Commission.’

'Unfortunately, he says, what we have seen is an evolution towards excessive centralisation with Member States speaking for the regions. This is not the cohesion policy which I envisaged. The Commission through its programmes and its on the ground experience should have a good sense of how to achieve development. The Commission is the only institution that thinks about Europe every day,' he stresses.

Delors believes that the centralisation which has taken place in all the countries is a setback for Europe of the regions. 'What we envisaged was a partnership where everyone learns from everyone else,' he stresses. »»

►NOTRE EUROPE – DELORS' BRAINCHILD



Notre Europe is a Paris-based think tank founded by Jacques Delors whose work and policy recommendations are inspired by his thinking.

It recently published a report on future cohesion policy, *The 'Cohesion Pact': Weathering the Crisis* by Marjorie Jouen (available in French and English).

The report argues that:

We must create the conditions for a transition to a 'smart, green and inclusive development model' as advocated by the Europe 2020 strategy and view the cohesion policy as an instrument of social progress and well-being, which may require new criteria for eligibility.

We must re-establish the democratic link between Europeans and the Union by making the results obtained by European funds tangible to them and by relying more heavily on 'community-led local development'.

The future cohesion policy will also be more credible if procedures are simplified, which would require ensuring at all costs that the European funds are accessible to small, local project initiators.

►FIND OUT MORE

<http://notre-europe.eu/>
<http://www.notre-europe.eu/en/axes/competition-cooperation-solidarity/works/publication/the-cohesion-pact-weathering-the-crisis/>



Jobs and education

Delors has a long-standing interest in education. In 1971, he initiated France's further education law (la formation professionnelle continue – FPC) which required firms to set aside part of their profits for educational opportunities for their employees. He also chaired a UNESCO Commission on Education for the Twenty-first Century from 1993 to 1996 whose final report was published as 'Learning: the Treasure Within.'

One of his greatest achievements was the launch of the ERASMUS student mobility programme. 'I am personally very satisfied with having pushed through the creation of the ERASMUS scheme. It once again demonstrates the importance of the Commission having the right of initiative. Without this, the ERASMUS programme would never have materialised. This right of initiative of the Commission must be preserved,' he stresses.

'However it is not enough for governments to talk just about education, they also have to create jobs. We need an economy which can create jobs and education of a better quality. The two go together. The idea that if they are being educated they will find jobs is not the case.'

Forgotten youth unemployment

Delors believes that the interests of Europe's youth have been neglected over the past 20 years. 'In the White Paper which I proposed in 1993 on growth and competitiveness, I said that we, the adult generation, have a tendency to resolve our problems among ourselves without taking the young generation into account. By accumulating debt, not resolving welfare problems, neglected the weakness of our education system, we have put an excessive burden on our youth – a burden which is inequitable. They are paying for it today.'

The urban and rural environment

While not underestimating the economic importance of SMEs, Delors is quick to point out that this is just one economic factor among many. 'It is not because we are at some point in the economic cycle that we should concentrate on one and forget the others. Our policy should be also concerned about agriculture, the management of natural resources, the forests – which we don't talk about much – territorial balance, and the creative capacity in industry and services. Policies must be designed to permit the maximum initiative in whatever sector to emerge and succeed.'

‘We should be building a European Union of diversity with the maximum of initiative coming from the base.’

The former EC President is quick to stress that Europe is the heritage of everyone and regional policy is likewise a matter for everyone. 'Just as the European society is a balance between the society and the individual, it is also a balance between urban movement and rural life and nature. That is our heritage,' he says.

'There is an important phenomenon in society which is called rurality, which is little talked about,' he says. 'We have countries where 80 percent of the countryside is urban. Rurality is thus an essential element and must be protected and allowed to develop. It is here that inequalities are often the most pronounced. It is also the people living there who are best capable of looking after the natural heritage.'

Bottom up development

While bodies such as the Committee of the Regions are useful they do not replace what is needed which is bottom-up development, Delors explains. 'Alongside macroeconomic development, the economic actors at the local level need to be able to mobilize themselves. In France for example I participate in meetings where this local mobilisation is discussed. We have for example the "Sol et Civilisation" organisation which has been founded by French farmers to study the experience of other European countries and spread this knowledge locally.'

'I believe that each citizen should be able to control their destiny through the social economy while at the same time respecting the diversity of Europe and its identity. We should be building a European Union of diversity with the maximum of initiative coming from the base.'