



Polish Presidency Conclusions on the territorial dimension of EU policies and the future Cohesion Policy

Towards an integrated, territorially differentiated and institutionally smart response to EU challenges

24th-25th November 2011, Poznań

Introduction

The Polish Presidency Conclusions present key messages related to the future Cohesion Policy and to an integrated territorial approach to development. The first part of the Conclusions reflects preliminary observations of the Polish Presidency on the main issues regarding the future Cohesion Policy in the framework of the recently published legislative package for this policy. The second part of the Conclusions is based on the intergovernmental debate about the role of an integrated and territorial approach to development, where special attention is paid to cities and follow-up to the Territorial Agenda of the European Union 2020. The Conclusions reflect the discussions held in the course of the Polish Presidency meetings, seminars, conferences and build on the accomplishments of the preceding Presidencies.

The Conclusions were discussed at the meeting of the Directors General responsible for EU Cohesion Policy (regional policy), territorial and urban development held on 3-4 November 2011 in Warsaw and take into account an outcome of the discussion as well as written comments of many Member States. The last stage of the discussion of the Conclusions took place at the Informal Meeting of Ministers responsible for EU Cohesion Policy (Regional Policy), Territorial and Urban Development held on 24-25 November 2011 in Poznań.

The Conclusions do not prejudice the final results of the negotiations nor the positions of Member States regarding the legislative package for Cohesion Policy and other EU policies.

I. MAIN POLITICAL MESSAGES ON THE FUTURE OF COHESION POLICY

- (1) As the long-term debate on the future of Cohesion Policy and other EU policies enters its final stages, the need for more efficient and effective policy is evident. The impacts of the financial and economic crises, and other global challenges, emphasise the necessity for more coherent, efficient and better-targeted public interventions.
- (2) The debate on the reform of Cohesion Policy has been conducted by successive Presidencies, the High Level Group on the Future of Cohesion Policy, and encompassed responses to the Fifth Cohesion Report, and consultations with regional and local actors, civil society and other stakeholders organized by the European Commission (EC), as well as extensive evaluation research and the contributions of independent experts and policy-makers. The debate has confirmed the need for a more effective, results-oriented and administratively simplified and streamlined policy, with an enhanced and more integrated territorial dimension in the context of the Europe 2020 Strategy.
- (3) The European Commission's proposals for Cohesion Policy for the period 2014-2020 were set out in the draft legislative package, published on 6 October 2011. The proposals are designed to consolidate the policy as the main investment policy of the EU, to reinforce its strategic dimension and to ensure that EU investment is targeted on Europe's long-term goals for growth and jobs (Europe 2020 Strategy). Together with the accomplishments of previous Presidencies and other contributions to the debate, the Commission's proposals provide a good basis for reforming the development policies to be implemented in the next programming period.
- (4) Achieving the European Union's objectives set out in the Europe 2020 Strategy, while satisfying the needs and mobilising the potentials of the European regions, requires an integrated, territorially differentiated and institutionally smart response, coordinated with national, regional and (where appropriate) local levels. In order to exploit the territorial

potentials of all parts of the EU, there is a need to revitalise existing instruments. This should be accompanied by strengthening the institutional system for managing territorial issues under EU Cohesion Policy as well as other policies with territorial impact and different forms of intergovernmental cooperation.

- (6) The proposals of the European Commission deserve support, notably:
- a) more integrated territorial approach to policy-making, taking into account the objectives of the policy enshrined in Articles 174 and 175 of the Treaty;
 - b) better coordination between the EU Funds (ERDF, ESF, CF, EAFRD, EMFF) through a common regulatory framework, and better coordination between Cohesion Policy and other EU policies or instruments having clear impacts on the EU territory;
 - c) enhanced strategic programming through a Common Strategic Framework (CSF), Partnership Contracts, and Operational Programmes;
 - d) concentration of resources on meeting current challenges in the economic, social and territorial development to maximise also the contribution of Europe's territories to the delivery of the Europe 2020 Strategy;
 - e) a greater emphasis on performance and a more results-oriented approach, inter alia by enhancing the role of monitoring, evaluation and system of indicators in the process of programming and implementation;
 - f) strengthening of the urban dimension;
 - g) a commitment to partnership and multi-level governance, and
 - h) enhancement of administrative capacity of different institutions and actors operating at various levels (European, national, regional, local) to deal with issues related to programming and management of policy intervention.
- (7) However, there are various issues relating to the European Commission's proposals which require further clarification and discussion with a view to improving the efficiency and effectiveness of the future Cohesion Policy. These include:
- a) ensuring that the new programming framework promotes the integration and complementarity between European, national, regional and local policies;
 - b) ensuring that the design and implementation of an integrated and territorially-oriented Cohesion Policy along the lines that the Common Strategic Framework is expected to sketch, recognises the diversity and different starting points of EU regions, their different institutional arrangements, and that the policy framework is capable of effectively addressing their development potentials and needs. The specific situation of Member States/regions facing particular geographical challenges and permanent handicaps should be reflected thus allowing for coordinated, adequate and appropriate assistance;
 - c) providing adequate flexibility for programme strategies to meet the requirements of individual territories, and (reflecting the principle of subsidiarity) ensuring that the appropriate level decides on the actions and interventions appropriate for a given territory;
 - d) ensuring that the newly introduced system of conditionalities, including ex-ante conditionality and performance framework commits Member States and other engaged actors to increase efficiency and effectiveness of the policy;
 - e) ensuring that the new system of macroeconomic conditionality, despite being legitimate in principle, does not have counterproductive consequences for Cohesion Policy's implementation and thus for the socio-economic development of Member States with macro-economic imbalances;
 - f) increasing the role and use of a streamlined result indicators system in programming and implementation process, by also focusing in the Operational Programmes on how planned actions are expected to bring about intended results;

- g) ensuring that in line with the aim of reducing administrative burden, the entire framework of programming remains simple, flexible and where possible proportionate e.g. through streamlining the system of reporting (Implementation Report, Progress Report and Performance Review);
 - h) ensuring that the new proposals for improving performance, and for financial management and control, do not create additional administrative burdens and do reduce existing ones, on the side of beneficiaries and Member States, and take into consideration the proportionality principle;
 - i) ensuring that the Connecting Europe Facility will be coordinated and complementary to the Cohesion Policy actions;
 - j) ensuring concentration of resources on critical factors of growth and development to reach the critical mass requires well-tailored instruments, inter alia ring-fencing mechanism, adjusted to balance the Europe 2020 goals and territorial specificities of different Member States and its regions;
 - k) ensuring that proposed instruments for territorial development including support for cities facilitate the implementation of an integrated and territorially oriented approach on the ground and remain simple and flexible;
 - l) maximising the possibility for the funds to be jointly used to finance programmes in order to facilitate an integrated approach, as stated in the Council Conclusions on the Fifth Cohesion Report;
 - m) addressing where appropriate in programmes and strengthening existing urban-rural linkages, polycentric development, functional urban areas (city-regions, metropolitan areas), cross-border agglomerations, etc.
 - n) defining in detail the scope and the role of the urban development platform and its linkages with the URBACT Programme; and
 - o) ensuring that the European Commission is fully capable of playing its role in the new architecture of Cohesion Policy.
- (8) The proposals for engaging different actors, and in particular cities, in a more integrated and territorial approach to development are welcome, but the Member States and regions should remain the main programming and management actors of Cohesion Policy.
- (9) The European Social Fund is an important instrument for making the EU territorially cohesive. While recognising that employment and social policies are essentially universal policies which should be delivered within consistent national frameworks, special attention should also be paid to the design and implementation of spatially sensitive policies to support the most deprived and vulnerable places and social groups. Investment under the ESF shall reflect the actual needs of Member States and regions.
- (10) European Territorial Cooperation is an important instrument of territorial cohesion and integration, and provides a mechanism of joint cross-border and transnational actions for addressing EU goals and responding to territorial potentials. However, there is a need for further efforts to ensure the harmonisation of rules with respect to cross-border cooperation programmes on the external borders of the EU.
- (11) Taking into account the positive experiences of debate on the future of Cohesion Policy (meetings of the High Level Group on the Future of Cohesion Policy, Conditionality Task Force, etc.), all stakeholders look forward to good cooperation with the European Commission and the European Parliament in order to find common solutions aimed at improving the efficiency and effectiveness of Cohesion Policy in the future.

II. STRENGTHENING AN INTEGRATED TERRITORIAL APPROACH TO DEVELOPMENT POLICIES

The debate on territorial issues has been pursued through two interrelated and mutually reinforcing processes: first, within formal decision-making processes (involving the European Commission, Member States, the European Parliament, the Committee of Regions, the European Economic and Social Committee); and second, through intergovernmental fora and activities (i.e. organized meetings, seminars, conferences, debates between ministers during successive Presidencies). The following statements summarise the results of the debates in the second strand during the Polish Presidency on strengthening the attributes of Cohesion Policy as one of the EU's territorial development policies and institutionally smart response under the new EU economic governance system and the Europe 2020 Strategy.

II.1 Territorial dimension of EU policies

The debate on the territorial dimension of public policies is increasingly important for the discussion on the future concept of development policy. Different regions face different constraints on growth, have different territorial context, and therefore they require different policy interventions. All public policies have territorial impacts. These can result in positive or negative effects for a territory. Increasing the opportunities for people in the places where they live means overcoming the inertia that produces underdevelopment or prevents the efficient use of resources, it requires not only innovations in formal and informal institutions, but also new, integrated investments within and across places. However, there is still a gap between what theory says about the processes of an integrated and territorial approach to development, and the adequacy of policy responses on the ground. This gap needs to be bridged by effective communication of the new approach between all stakeholders - based on evidence from theory and practice - and going beyond the cohesion/regional policy-making circles.

- (12) A territorial approach to policy-making could be an effective way to achieve the European Union's goals by combining top-down approach with the unique potentials embedded in places across the EU territory and the interests of local stakeholders.
- (13) In order to achieve better results from policies, resources must be concentrated in order to reach the critical mass and bring about the desired socio-economic change. However, in choosing priorities for public intervention, it is necessary to take into account the specific characteristics of different places since there is no single, uniform path of growth (universal approach to policy design) applicable to different types of territories.
- (14) The Lisbon Treaty and the work done so far by the Member States' Territorial Agenda of the European Union 2020 (TA2020) agreed by the Ministers in Gödöllő in May 2011, should constitute a key reference point for future, territorially-sensitive interventions of EU policies. The TA2020 was conceived to support the development of different territories taking into account the main spatial challenges and territorial priorities across Europe. The Polish Presidency proposals for a *Roadmap towards promoting and enhancing integrated, territorial approach* would facilitate the ambition for a more integrated territorial approach to development.
- (15) Bearing in mind the work on the TA2020, and the broad range of views on territorial cohesion and territorial development, there is a need to explain and promote the concept in order to go beyond current proposals and find a way to integrate the concept into the design and implementation of policy.
 - a) A systematic discussion on the issues related to the territorial approach is required in the context of the Europe 2020 Strategy at the highest political level (both within the Council and the informal meetings).
 - b) To enhance an integrated approach in various EU and national policies (namely in the context of the economic governance of the EU), at first it is necessary to identify the concrete issues of relevance for the EU and its Member States' economic and other policies as well as for the European territorial dimension. Thus, one of the tasks ahead is to translate the TA2020 into the language and interventions of EU policies to support development and to show how an integrated approach can improve the effectiveness of European policies.
 - c) Recognising the diverse growth dynamics of EU territories, the CSF should provide strategic guidance on how to facilitate sectoral and territorial coordination of all relevant EU policies, instruments and actions which are required to achieve the Europe 2020 Strategy objectives by identifying and explaining their territorial dimension. The TA 2020 could be used as a reference point for this purpose.
 - d) In order to achieve better policy intervention (at the level of policy design), and to prioritise those investments which best suit places (at the level of programme/project design and implementation), there is a need to incorporate a territorial diagnosis into the processes of formulation and review of policies and of respective programming documents.
 - e) Following the Europe-wide debate on territorial cohesion, the publication by the European Commission of a White Paper on the territorial dimension of EU policies would both ensure an internally cohesive input to the debate on the territorial approach, and contribute to the better coordination of different policies. In order to prepare the White Paper it is necessary to first elaborate a methodology and a study on how to integrate the place-based approach into public policies at EU, national, regional and local level.

- f) Given that all policies have an impact on a territory, there is a need to improve monitoring and to ensure that the statistical basis is capable of monitoring the territorial effects of different policies. There is a need for ongoing monitoring and analysis of territorial dynamics (key territorial features, territorial trends and challenges), policy impacts on the ground (sectoral linkages between policy interventions and their impact on the territory) and relations between different areas (i.e. cross-border and land-sea continuum or functional areas, macro-regions, urban-rural).
 - g) The territorial dimension of Cohesion Policy, while being enhanced by the use of specific tools such as Community-led local development and Integrated Territorial Investments, goes well beyond them and should be incorporated into all aspects of Cohesion Policy.
- (16) Local development must no longer be considered as an isolated process of a purely endogenous nature but a process that seeks to balance strategic, top-down objectives and bottom-up ones within an EU context. The papers elaborated during the Polish Presidency, with the inputs of all Member States and discussed during various meetings and conferences, may be helpful for further discussion and elaboration of instruments for territorial development.
- (17) Urban areas should be perceived as engines of growth, with agglomerations, medium-sized and small towns playing an essential role in fostering development in a wider territory, but they are also places associated with problems such as environmental pollution, congestion, spatial disorder and social exclusion etc. In a territorial context cities should be seen as service providers, transport hubs and the places where a critical mass of scarce public resources is concentrated. For all these reasons, there is a need for tailored policy interventions at European, national, regional and local levels which take into account the specific characteristics of places (both the types of cities and their growth potentials and needs). In the context of fighting the barriers to growth special attention should be paid to the development of deprived urban areas).
- (18) Different types of territories (e.g. urban, rural, urban-rural, macro-regional or cross-border areas) often face similar challenges and opportunities. Particular attention should be paid to the relationship between these territories in order to encourage them to cooperate in implementing integrated projects. Policy responses should be tailor-made to the needs of particular territories.

II.2 The need to enhance institutional capacity in order to deliver a genuine strategic, integrated and result-oriented approach

Territorially oriented policies require institutional cooperation under a multi-level governance system, where knowledge is organisationally embedded and exploited, and with specialist institutions, allowing integrated interventions to be designed and implemented. In order to increase efficiency and to ensure the achievement of desired results, there is a need to improve the functioning of various institutions at European, national, regional and local levels as well as to strengthen multilevel governance and partnership. EU policies can learn from the experiences of individual Member States, Candidate Countries and international organisations such as the World Bank and the OECD.

- (19) With a view to ensuring efficient and effective policy implementation within the framework of an integrated and territorial approach to development, it is necessary to strengthen institutional capacity at all levels of management, including EU, national, regional and local levels involved in the formulation and delivery of policy on the basis of their ability to face global challenges. The application of the yearly "Scorebord on Multilevel Governance" (the Committee of the Regions) to monitor the development of multilevel governance at the EU level could be a useful tool in this area.
- (20) Effective measures to improve performance for all territorially oriented policies must be developed in partnership to ensure common ownership and commitment. Further, they must be sensitive to the different institutional and territorial settings across the EU, they must be supported by credible and reliable monitoring and evaluation systems, and they should incorporate processes of institutional learning.
- (21) The establishment and expansion of various forms of partnership (cross-sectoral and cross-jurisdictional) – through the system of multilevel governance, entailing varied interactions and relationships between and across levels of government - are crucial for promoting the exchange of knowledge and good practices, empowering actors and

increasing the ownership of policy choices. Such an approach would enhance the possibilities for networking and mutual learning between partners from the same country, as well as between Member States, at all levels of governance.

- (22) The construction of the evidence database and the use of the results of evaluation as an integral part of programming and implementation are necessary to effectively implement the results-oriented approach. The currently predominant use of evaluation for assessing policy implementation should be complemented by more evaluation of the policy's effects and territorial impacts and by the use of evaluation to inform the strategic orientation of policy.
- (23) Indispensable for policy territorial policies is adequate monitoring and evaluation system including a streamlined system of relevant indicators sensitive to the different types of territories, potentials and growth paths. There is a need for more selectivity in the design and selection of indicators to ensure the effective monitoring and evaluation of policy interventions and adequate political ownership and accountability of results.
- (24) The capacity of ESPON in supporting the European Commission and Member States in reinforcing EU policies' territorial dimension needs to be strengthened. In order to ensure a widespread use of territorial evidence-based responses in form of short term analytical deliveries and comparable data on regions and cities in key policy processes its institutional setting needs to be reinforced. All the parties involved in the implementation of the Programme, in close cooperation with the European Commission, should ensure that ESPON type programme post-2013 becomes a high-quality contributor to policy-making and is promoted as a European Territorial Observation Network that can enhance the territorial dimension in policy development.
- (25) Bearing in mind the positive effects of the URBACT networking programme, which seeks to improve the effectiveness of sustainable urban development policies in Europe through exchange of experience, dissemination of best practice and knowledge transfer, the next generation URBACT programme should be further developed and should be coherent with other EU supported urban initiatives. Moreover, it should be also coordinated with projects implemented within mainstream programmes and should remain open to all cities and towns interested in networking.
- (26) The draft report "The Reference Framework for Sustainable Cities (RFSC) – Testing results and recommendations" has provided useful feedback. Thanks are due to all the partners of the successful RFSC testing phase, and especially the group of cities that carried out the test for their efforts and contributions to improving the RFSC. The instrument can stimulate the dialogue on sustainable urban development in and among European cities and towns as well as across local, regional, national and European levels, and it can help cities in applying the integrated approach. For this reason, there is a general agreement that the RFSC should be improved and completed by Spring 2012. There is a need to promote the future use of the RFSC amongst European cities and towns as well as to organize a dissemination phase by sharing the tasks and contributions towards that goal.
- (27) Taking into account the specificity and the thematic scope of interest of the NTCCP and UDG and their contributions to the achievement of territorial cohesion, it is worth examining the possibility of elaborating the agendas of work to be implemented by both networks, within the terms of their respective mandates and arrangements. The next EU Presidencies are invited to organize joint meetings and events on topics of common interest, where appropriate. In order to better link the work of the intergovernmental groups with the Commission's work the coordination with TCUM should be established through a structured dialogue.