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VASAB Committee welcomes strengthening of integrated territorial development approaches in future Community Structural Funds and Common Strategic Framework

Opinion of the Committee for Spatial Planning and Development of the Baltic Sea Region - VASAB¹

VASAB (Vision and Strategies around the Baltic Sea) is a cooperation of ministers responsible for spatial planning and development of eleven countries in the Baltic Sea Region – the EU countries Denmark, Estonia, Finland, Germany, Latvia, Lithuania, Poland and Sweden as well as Norway, Russia and Belarus. VASAB is steered by the Committee on Spatial Planning and Development of the Baltic Sea Region (CSPD/BSR) composed of representatives of respective ministries and regional authorities. It is part of the network of the Council of Baltic Sea States (CBSS). The main mission of this interministerial cooperation is to prepare policy options for the territorial development of the Region and to provide a forum for exchange of know-how on spatial planning and development between the Baltic Sea countries.

Against this background, VASAB **welcomes** the proposals of the European Commission on the future Community Structural Funds and Common Strategic Framework.

Strengthening territorial and urban dimension in structural policy

1. VASAB welcomes the strengthening of the territorial dimension in all Structural Funds and in sectoral policies related to them. VASAB also appreciates the proposal of the European Commission to strengthen the urban dimension within the Cohesion policy, foreseeing territorially integrated investments according to local needs and development strategies, thus promoting growth of urban areas as development centres as well as urban – rural collaboration. In the proposal for European territorial cooperation, however, the links of programme themes to sustainable urban and regional development need to be highlighted in a more concrete way. VASAB considers it necessary to add references to policy documents relevant for territorial development to the Structural Funds regulation. Essential documents, such as the Territorial Agenda 2020 of the European Union and the macro-regional VASAB Long Term Perspective for Territorial Development of the Baltic Sea Region should be referred to in the regulation or in cooperation programmes respectively. .

Promoting cohesion and integrated development through territorial cooperation

2. Territorial cooperation is of particular importance for promoting territorial cohesion in Europe. VASAB appreciates the intention of the European Commission to maintain the cross border, interregional and transnational cooperation strands of European territorial cooperation. A separate regulation on European Territorial Cooperation will sharpen this instrument. VASAB also notes with satisfaction that the emphasis on integrated territorial development is retained for interventions of transnational cooperation programmes. This approach secures

¹ The paper does not commit the Member states to a specific position on multi annual financial framework or the future European cohesion policy

innovative, balanced and sustainable development of cooperation areas. However, in order to achieve the cohesion goals, it is necessary to find a better balance between the thematic concentration and the promotion of integrated urban and regional development. The latter should not be treated as option but as obligation for all interventions within transnational programmes. Interventions which foster integrated urban and regional development have shown the highest demand within all transnational programmes so far. Those interventions are of utmost importance for future involvement of regional and local authorities.

Cooperation between EU and neighbouring countries

3. VASAB very much highlights extended possibilities to cooperate with neighbours of the European Union, such as Norway, Russia and Belarus in the framework of transnational cooperation programmes. This requires early involvement of relevant national authorities and a full integration of themes initiated by the neighboring countries in the preparation of new programmes. Moreover, VASAB calls on all actors involved to take adequate measures in order to develop efficient instruments and take care of provisions that ensure cooperation in an efficient way, on an equal basis and through one paying institution. Open issues from the current programmes – such as controlling approaches - should be clarified in advance in order to allow a swift drawing up and implementation of the new transnational programmes.

Exploiting the potential of transnational cooperation

4. Transnational cooperation is an important and wide-anchored funding instrument which creates European added value. It allows regional and local authorities to pursue a place-based policy. Transnational cooperation is an instrument which can be used to test new innovative approaches. It causes long-term effects such as boosting investments, developing standards, transferring best solutions, enhancing regional quality management and European benchmarking. The projects support the mobilization of resources and potentials of regions and cities. Transnational cooperation is also one of the few EU instruments, which allows pursuing immediate objectives of territorial development. VASAB therefore strongly supports all efforts to administer transnational cooperation programmes in a more simple and efficient way in order to fully exploit their potential.

Territorial cooperation and macroregional strategies

5. VASAB recognizes possible links between the macroregional strategies, such as the EU Baltic Sea Region strategy, and territorial cooperation programmes, especially those for transnational cooperation. However, given the limited financial scope of transnational cooperation and their specific orientation, it needs to be highlighted that transnational cooperation programmes cannot be seen as only funding source for strategies. For successful implementation of macroregional strategies, all funding programmes under Cohesion Policy as well as financing institutions and private sector involvement needs to be considered in a systematic way. Given the wide range of issues covered by the Baltic Sea Region Strategy, thematic flexibility should be allowed for all programmes in order to support a broad implementation and a contribution to region building. The envisaged priority of “enhancing institutional capacity and ensuring efficient public administration” should also allow for testing new forms of urban-rural partnership. Given the focus of transnational programmes on integrated territorial development, also adjustments within the Baltic Sea Region Strategy are needed in order to better support place-based development objectives for the region. EU Strategy and VASAB Long Term Perspective should cross-fertilize each other to improve efficiency in using territorial potentials. Respective strategies and priorities of neighbouring countries, such as the Russian Federation, need to be considered as well.

Concentration of themes

6. VASAB supports a concentration of activities based on key themes of the Europe 2020 strategy. However, the conditions for spatial development differ between European cooperation areas, macro-regions and functional urban areas. A wider range of themes and more flexibility are needed. A thematic (and spatial) focus should therefore only be applied on the level of individual programmes. Moreover cross-sector cooperation projects should be feasible - especially those fostering integrated urban and regional development, adjustment to climate and demographic change, development of maritime spatial planning as well as urban-rural cooperation. Individual programmes should be able to support projects across cooperation areas for instance on transport or green corridors, river systems, large landscapes as well as functional urban areas and clusters. This requires a certain comparability of themes for all cooperation areas. In view of the still existing large disparities in socio-economic performance of the Baltic Sea Region countries and uneven effects of economic crisis, different co-funding rates should be maintained for respective groups of countries of the Baltic Sea region.

Geography of cooperation

7. The existing transnational cooperation areas (INTERREG IVB) have proven to be efficient. Therefore, the VASAB Committee supports basically these cooperation areas with their present geographical coverage with some possible adjustments. At the same time, cooperation across transnational areas should be enabled in justified cases under the 20 % rule for spending funds outside the EU part of respective areas. This is in particular valid for interventions on large-scale development corridors, tourism routes and environmental aspects. Moreover, it should be possible to involve outstanding European centres of competence irrespective of their location into cooperation projects of different areas. Such flexibility should be facilitated through a common agreement (comparable to INTERREG C) of all European Member States to support each other on major issues of implementation, such as eligibility of partners as well as support in case of repayment of funds. The solution proposed so far, is insufficient. It is the continuation of the current situation, where all programme authorities developed different models with a high administrative burden on project applicants.