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THE REGIONS, RESPONSIBLE PARTNERS IN A EUROPE FACING DIFFICULTY

On the occasion of our visit to the President of the European Commission, Mr José Manuel Durão Barroso, on 7th July 2010, we, leaders of European Regions and members of CPMR, wish to raise with him the following issues concerning cohesion policy, EU maritime policy and the role of the Regions.

A - COHESION POLICY

The CPMR takes note of the ideological debate currently under way within the European Commission and Member States, which is tending to consider some sectoral policies as being more effective in addressing the challenges faced by the EU, while relegating cohesion policy to the rank of adjustment variable.

While such a political choice might be understandable in entities where disparities in development between Regions are low (e.g. in the USA where the ratio is 1:2.5), it would be damaging in Europe where owing to much higher regional disparities (1:8) it would lead to geographic concentration preventing many Regions from developing their competitiveness. We cannot believe how such an approach could be seriously endorsed, and defend a different process of reasoning based on the points set out below:

1. The European and global economic context justifies maintaining a cohesion policy for all European Regions

According to Eurostat data, 55% of Europe's Regions had a GDP below the Community average in 2006. This figure highlights the lack of competitiveness of European Regions on an EU-wide level. This underperformance is also true at global level: according to OECD data, the GDP of European Regions is on average significantly lower than its direct competitors, especially in the US.

The crisis, which has hit Europe's Regions strongly and to varying degrees, is likely to affect this state of play even more. It is therefore essential to maintain European structural support throughout the EU territory to allow each Region to absorb the blow by developing a new strategic model based on an environmentally friendly, low carbon knowledge society and on changes to the employment and training systems required to support it.

The financial discussion on cohesion policy needs to take this reality into consideration.

2. Cohesion policy needs to be coherent with the Europe 2020 Strategy but must maintain its own mission.

The Europe 2020 Strategy is a necessity shared by all European actors, and the CPMR has already expressed support for its strategic goals. In order to meet these goals, all EU policies, including cohesion policy, need to fall coherently within this overall vision.

However, cohesion policy cannot become just the financial instrument for this strategy for growth. Firstly, from an institutional and political point of view, the Lisbon Treaty makes reducing disparities in development between European Regions the main aim of this policy. Any action led under cohesion policy to foster European growth must not therefore breach the requirement of economic, social and territorial cohesion. Secondly, from an economic point of view, an increase in interregional disparities would cause setbacks to achieving the actual aims of the Strategy.

Moreover, the regional dimension inherent to cohesion policy makes governance just as determining a factor in ensuring its effectiveness as its budgetary dimension. This complementarity needs to be more clearly accepted and promoted than may be inferred at present from the Europe 2020 Strategy if we want to maximise the results and benefits of it.

3. The regional dimension needs to remain at the core of cohesion policy.

The actual legal basis of cohesion policy makes it an allocation type policy and forbids any form of re-nationalisation that would turn it into no more than an instrument for redistributing the budget between States, without any set of conditions or guarantee of results.

The economic circumstances of the European Regions and the pressures imposed on all public budgets lead us to support, as of 2014:

- Substantial priority financial aid for Regions with a GDP below 75% of the EU27 average.
- Aid for Regions whose GDP is higher than 75% of the EU average. Among these, those Regions whose GDP is lower than the EU average and which are all experiencing structural difficulties in adapting, should be eligible for specific aid. The financial amount of this aid, which is insufficient in the current context, should be re-evaluated using a transitional mechanism for example.
- Increased support for territorial cooperation.

Such arrangements will need to be implemented under a single regional programming scheme which includes specific infra-regional characteristics (urban, rural, etc.) and geographic features (island and mountain areas, sparsely populated regions, OMRs, etc.) and takes these properly into account by virtue of the principle of territorial cohesion. This should not be an alternative to the regional dimension of cohesion policy, but rather a complementary dimension based on solidarity and fair access to the basic freedoms as set out in the Treaty for all Regions and all citizens.

4. Stepping up conditionality is necessary for greater transparency and efficiency...

When it is the subject of a genuine contract, subsidiarity creates community added value. For this reason we are prepared to accept greater conditionality for regional policy within a framework of the right method of governance.

We are firmly opposed to any macro-economic conditionality as proposed by the Commission to strengthen the economic governance of the Union, since such a measure would eliminate the regional dimension and programme-based approach intrinsic to cohesion policy. Moreover, it would be counterproductive, since for the States and Regions concerned it would cut off part of the resources designed to re-establish a satisfactory macro-economic situation.

On the other hand, we believe it would be preferable and beneficial to step up conditionality related to the actual nature of cohesion policy, notably:

- A more targeted thematic focusing of aid than the 5 thematic priorities set out in Europe 2020 Strategy, especially for Regions whose GDP is greater than 75% of the EU average (3 priorities maximum for the "consolidation" objective and 2 for the "competitiveness" objective). Thematic targeting should be the responsibility of the Regions and be based on an objective diagnosis of regional characteristics. There should be a certain degree of flexibility allowed in order to take into account the actual development situation in each Region;
- Increased regional responsibility in terms of delivering results on the one hand (political accountability to the Commission) and financial management and audit in partnership with the national authorities on the other (financial accountability to the control bodies), within the framework of a simplified and single monitoring and audit system designed to limit red tape.

Moreover, the actual implementation of the existing additionality principle should be guaranteed to foster the leverage effect of structural aid and the innovative nature of the co-financed actions. This would be highlighted within the Regional Operational Programmes that the European Commission would be responsible for validating.

5. ... but must go hand in hand with an adjusted method of governance based on integration and contractualisation.

In order to be effective, this conditionality must be applied to an integrated regionalised programme. In this context, the ERDF and ESF must work together coherently, since the community added value of the ESF will only arise from the tight link between structural action and action to promote employment. The same is true of economic and social diversification measures lead under EAFRD. These are similar on all counts to ERDF action and need to come under the framework of cohesion policy.

Furthermore, in order to be widely accepted by national and regional officials, at the same time as introducing this conditionality the European Commission must refocus its mission on providing strategic guidance for cohesion policy in relation with the Europe 2020 Strategy, leaving national and regional authorities in charge of the delivery and financial management. To this end, we urge for a truly contractualised cohesion policy (bi- or tri-partite depending on the institutional situations of the Member States) to be introduced as of 2014.

B -- EU MARITIME POLICY

Success of the Europe 2020 Strategy also depends on the seas and coasts. The introduction of the Integrated Maritime Policy (IMP) is without doubt one of the EU's biggest achievements of the past five years, and the CPMR assisted in the emergence of this policy by providing support for Commissioner Borg and now for Mrs Damanaki. A second phase of the IMP is currently under preparation. It will have an economic and environmental slant, focusing on blue growth and the conservation of marine and coastal ecosystems. In addition to taking forward political dialogue, the Regions want a more efficient and practical partnership with the Commission on these questions. They feel responsible to their populations for these issues and believe they have grounds for occupying a place in the governance of this EU policy. More than just stakeholders they want to be – and already are – actors.

In this context, we believe that it is possible and preferable to step up cooperation between the Commission and the Regions in the following areas:

6. Joining up the spatial, coastal and maritime approaches

The three approaches proposed by the European Commission to ensure coherence in the public management of maritime and coastal areas (Recommendation on the Integrated Management of Coastal Areas; Framework Directive on the Marine Strategy; Maritime Spatial Planning) all have their own specific aim, but are complementary. The first two are led by DG Environment and the third by DG Mare. We believe that it is essential to have a strong link between them.

Since all levels of public action are concerned – from local level up to sea region – we therefore expect the European Commission's Communication on Maritime Spatial Planning, and its possible application in legislative texts, to be based on the principles of multi-level governance.

Given that it is organised into Geographical Commissions along the regional seas (Atlantic, Baltic, Mediterranean, North Sea, Black Sea), the CPMR is available to provide practical assistance in joining up these approaches in each of the sea basins. *Ad hoc* governance mechanisms need to be designed for each area, in which the States, the DGs concerned within the European Commission, the various regional conventions (OSPAR, HELCOM, Barcelona and Bucharest Conventions) and the Regions should all have a role to play.

7. Making maritime careers more attractive: Maritime Erasmus/Vasco de Gama

The Blue Book on IMP gave a high level of priority to the issues of maritime jobs. This unfortunately is a subject where the actual achievements of the EU maritime action plan 2008-2009 have so far not lived up to expectations. The issues of employment and training are especially important for us, given that in many Member States they fall within the remit of the Regions. The CPMR will therefore be paying particularly close attention to progress in this area within the EU, especially since maritime jobs are not limited to the maritime transport and fisheries sectors but clearly include a whole range of activities carried out at sea or on land, e.g. shipbuilding, new technologies, services, etc.

We are convinced that action led at EU level would help to make maritime careers more attractive among young people. This is why the CPMR is proposing the launch of a pilot project entitled "*Maritime Erasmus*" (or "*Vasco de Gama*"), to encourage the professional mobility of young people in training, from apprentice level up to long-term university courses. Three Directorates-General of the European Commission have already expressed their interest, these being Mare, Move and Eac.

8. Additional proposals put forward by the CPMR:

In addition, the CPMR is also working and making proposals on the following issues:

- Marine energy: how can the EU make this an economically viable alternative in the medium term by giving it a level of priority at least equivalent to the efforts afforded to wind, solar or nuclear power? The EU should give a high level of priority to research and development efforts in this field. The Regions are keen to see the development of these forms of energy, since they reduce dependency on fossil fuel industries and create growth and jobs. They also generate potential sources of conflict that can be minimised if Regions are involved in negotiating agreements.
- Maritime transport: the CPMR is supportive of the idea that the EU should use all legislative (State Aid, Eurovignette, etc.) and financial (Marco Polo, TEN-T, structural funds, etc.) means at its disposal to encourage a massive shift of transport flows from road to sea. This is a prerequisite to ensuring the success of the Motorways of the Sea and improving the accessibility of the OMRs and islands. On 15 April 2011 in Gijón, the CPMR will be proposing an ambitious European action plan in this area. The issue of maritime safety is still one of our main concerns and we are lobbying to promote the introduction of an Erika 4 package. Clear shipping also implies that the European Union should foster the development of technologies (e.g. use of liquefied natural gas as fuel) and equipment (e.g. electrical substations in ports, intermodality with the rail network).
- Research, innovation and clusters: what maritime contribution to the EU 2020 Strategy? In close relation with DG Research, the CPMR is preparing a raft of proposals on the regional dimension of the European Strategy for Marine and Maritime Research. It is focusing in particular on the prospects of funding by the Regions and EU regional policy of European facilities in this field.
- Adaptation to climate change: with a membership of Regions that are geographically highly sensitive to this issue, the CPMR is providing support in implementing the provisions of the European Commission's White Paper. The issue of data is central in this field, and the CPMR is helping the EMODNET initiative to build up an information base adapted to operational requirements.

With regard to the scope covered by the IMP as a whole, the CPMR has high expectations of the European Commission's current and planned initiatives. We would be available in particular to provide a regional point of view on the draft financial regulation to fund the IMP over the 2011-2013 period (the pilot projects that are supported will necessarily be taking advantage of regional and interregional experiences) and contribute towards the study that Mrs Damanaki is launching on "Scenarios and drivers for sustainable growth from oceans, sea and coasts".