



**Euromontana Round Table discussion on the
implications of the Territorial Cohesion Green paper
for mountain and similar areas
19 February 2008
Brussels**

Frank Gaskell, President of Euromontana, started the meeting by explaining how territorial cohesion can be both an interesting and misunderstood concept and giving his own perspective on territorial cohesion, concept that is strongly connected with economic and social cohesion.

It is often thought that territorial cohesion emerged as a concept during the lobbying seeking its inclusion in the Treaty of Amsterdam. In fact the treaty did not allow territorial cohesion to be named specifically, but the concept was subsequently included in the draft European Constitution in 2003 and is now in the text of the Lisbon Reform Treaty. However, this idea that is fundamental to the whole European ideal, appeared already at the time of the Single European Act and the creation of the single market with its potential for polarised development, back in 1986. At the time, the centripetal impact of the Act was correctly foreseen and the danger this would represent to territorial cohesion was the focus of a general discussion that, in effect, concluded that territorial cohesion was sufficiently covered by inclusion in the text of economic and social cohesion. In other words economic and social cohesion were expected to promote territorial cohesion. It is because these expectations were disappointed that it is essential now to secure the specific inclusion of territorial cohesion in the treaty text ...and its correct interpretation and delivery.

There has for a long time been a conflict between the territorial cohesion and Lisbon Agenda and its concentration on growth. According to OECD when we talk about territorial cohesion we are promoting equity at the expense of efficiency and that we should concentrate European resources on growth poles in order to generate extra wealth that will then benefit other regions.. However, the fundamental flaws of this, in practice, “trickle down theory” have been apparent for a long time.

It is mistaken to think that the territorial cohesion is the alternative to growth. Both can be compatible. Territorial cohesion is about equity – the spread of European resources equitably within European Union, and it is by no means contrary to the goals of efficiency. Concentration of investment in growth poles is efficient in the short term because it will produce extra wealth but in the medium to long term it can cause, congestion, pollution, exclusion and the desertification of other areas and the dereliction of their often significant assets.

Patrick Salez, identified by DG Regio of the European Commission as responsible for the preparation of the Green Paper on Territorial Cohesion described how in addition to the Green Paper exercise there is currently a favourable context for territorial cohesion at the European Commission created by the reorganisation of the DG Regio and the implications of the Treaty.

He explained further the document planned to be launched in September 2008: the aim is to make a complementary analysis to reinforce the cohesion reports; this quantitative analysis includes mountains and territorial dynamics and, through an intensive debate with Member States, goes back to the definition of territorial cohesion and coherence of policy priorities. The paper will also analyse the implication of the new Lisbon Reform Treaty for territorial cohesion.

Following the analysis, questions will be formulated for wider debate, the creation of which is the great goal of the Green Paper. At this point, four main questions arise:

- 1) The concept of territorial cohesion, what does it mean? This does not involve inventing a new definition but thinking about the added value that the existing one can have taking into account a certain number of territorial specificities;
- 2) Competitiveness *versus* territorial cohesion, clarifying the two objectives and how they can reinforce each other instead of being in competition;
- 3) How to promote coordination /coherence between national and regional policies on policy and operational matters;
- 4) Targeting of the policies: how to consider territorial specificities?

Jean Michel Courades from DG Agri, European Commission, continued explaining the efforts made by his Directorate General for territorial cohesion. All the DGs are somehow associated and the concept will involve some kind of “territorial screening” of the territorial impact of all policies.

The territorial dimension has a limited role in the Common Agriculture Policy: The CAP, even the rural development programmes of the 2nd pillar, has substantially a sectoral function. French and Italian studies on 8 Member States showed that many Rural development programmes were very weak in ex ante evaluation (territorial diagnostic and analysis) – it is important to improve this point.

DG Agri is already in practice engaging in territorial targeting through the LFA measures, support to mountain farms and pastoralism that are crucial for the maintenance of landscapes and functionality of mountains.

The most important innovation in the debate on territorial cohesion is the human dimension of the policy beyond the Lisbon strategy, for example the consideration of

basic services. The rural development policy is also already working on basic services for rural communities.

Thomas Dax from the Austrian Federal Institute for Less-Favoured and Mountainous Areas gave a presentation on his views on the territorial cohesion, which will form a basis for the Euromontana contribution to the Green paper to be delivered to the European Commission by mid-April.

Territorial cohesion is a concept that has a strong spatial dimension and therefore reflects the European model of society that emphasises the balance between efficiency and equity.

During the last decade the challenges for sustainable development (regional development, technologies, globalisation, enlargement...) have become known and well developed. Environmental interpretation is particularly important for mountain areas: currently we have to deal with issues such as energy supply or climate change.

When looking at the land use patterns, topography and landscape types, economic activities and their performance, the national strategies and policies, we quickly realize the diversity of mountain areas. The point from now on is to work around and compare these differences and to find real adaptable solutions.

Ms Dax went on to develop the territorial dimension of the Common Agriculture Policy: the first pillar essentially supports core areas and larger farms and less support is given to the fruit or viticulture sector. The second pillar has a limited compensation effect and focus on the Northern European regions prioritising agri-environmental schemes and LFA's.

LFA's have a high importance in the new Member States. Some of the key aspects for the LFA support are the focus on Rural Development Programmes and increasing the second pillar of the CAP. Finally, it is important to see the difference when updating measures between countries. National and regional strategies should make a difference on how to apply for LFA programmes – and here mountain areas should be addressed to a different degree.

The main issues for the contribution on mountain regions to the Green Paper on territorial Cohesion should be: to provide more clarity about the definition of territorial cohesion, undertake challenges and opportunities, analyse situations and trends, build integrated approaches on mountain policies as well as recommendations for mountain policies (addressing ecological situations such as responses to climate change adaptation, the need to increase population in mountain areas, accessibility issues, etc.).

- The PowerPoint presentation of Mr Dax is available at www.euromontana.org -

Round Table

In the beginning of the round table discussion **Frank Gaskell** reminded the audience once again that equity is efficiency. When looking at a balanced development within all of Europe, mountain areas become almost the main issue.

Further, it should be remembered that when looking at the maps of High Nature Value farming they are almost identical to mountain areas and prove that mountains provide public goods such as biodiversity. However, small farms in these areas all over in Europe are threatened by land abandonment.

Mr Gaskell suggested that the delivery of the territorial agenda should involve a “territorial impact assessment” of the sectoral policies such as CAP, transport, ICT and even Competition Policy. .

Nicolas Evrard from the European Association of Mountain Elected Representatives, AEM, remarked how the 4th Cohesion report claimed it was complicated to integrate the mountain question due to the diversity of the mountain situations. However, mountain areas clearly share common challenges, something that has been demonstrated time and time again, not least through cooperation in programmes such as LEADER and Interreg.

There is currently a policy tendency towards the reduction of the Community budget, which hits particularly hard the cohesion objectives. Keeping this in mind there should be even more emphasis on multilevel governance and concentration on more strategic policies such as mountains and islands, which were largely neglected in the extreme Lisbon agenda frenzy. In fact an area can have handicaps but still be innovative, such as shown for example by the Finnish excellence in the mobile phone industry.

The article 158 is now a juridical base for the resurrection of the territorial question. The cohesion policy has been proven to be efficient. Therefore the periphery-centre dimension is changing.

Mr Evrard also noted the key role of CAP for the mountains and the need for a specific Green Paper on mountains.

Arve Skjerpen, from the Norwegian Ministry of Local Government and Regional Development, pointed out the need to pay special attention to regions with specificities. There are several reasons why Norway as a non-EU Member State has an interest in this debate. First of all, regional policy is high on the political agenda in Norway that faces increased challenges to its topography by the Northern location and extreme distances. For Norway it is important to be able to develop measures for the specific areas and here

for example the European state aid rules which Norway also complies with are significant. Norway also places high importance on territorial cooperation as a tool, in particular for the specific areas. Finally, Norway very much welcomes the emphasis on the added value of specific areas.

Jean-Didier Hache from the CPMR Islands Commission warned against “killing the concept of territorial cohesion by too much definition”. – Territorial cohesion is simply a policy that strives to give an equal chance for sustainable development to areas no matter where they are located.

Although welcoming Article 158 he regretted the chaos it created at the same time by binding together all kinds of regions, - for example what specific natural impediment do the border regions face? He also warned against too much complacency, the mention of territorial cohesion in the Treaty does not mean that it will automatically be implemented.

- It is quite clear what we have wanted for years and that is coordination of policies. To achieve this aim Mr Hache called for creation of a nucleus of member states to support a policy on cohesion.

Seppo Heikkilä from the Northern Sparsely Populated Areas group, started by describing the Northern sparsely populated areas that have less than 8 inhabitants/km². These areas benefit from a specific clause in the accession treaties of Finland, Sweden and Austria, but this clause seems not to be as legally binding as the areas had hoped for.

In 2005 the DG Regio report on these areas indicated that a Lisbon based growth policy does not support the sparsely populated areas. The growth in the overall economy seems on the contrary to have fed the outmigration.

Mr Heikkilä also expressed his protest against the one-dimensional view of these areas by citing as an example how in the ESPON 2020 maps the areas have been given solely the role of biomass production, totally ignoring for example the cluster on high technology and investments in R&D in the Oulu (Northern Finland) region.

Patrick Salez agreed on the need for articulation and integration of scales for all kinds of spaces, including the massif level for the mountain areas.

He also insisted on the need to define concepts, although in the case of the economic and social cohesion this was not done. Not everyone has the expert capacity to grasp the concepts and the definition becomes crucial in particular when talking about the tools derived from the concepts, upon which there is a widespread controversy. For example in the DG Employment vocabulary territorial cohesion does not exist at all. Territorial

cohesion also remains a concept debated in a small circle of experts, it should be opened up for public debate, which the Green Paper has the potential to do.

Since November 2007 the European Commission has quite an unprecedented Inter-service group working on the territorial cohesion with participants from ten Directorates General, soon to be joined by two more.

The territorial cohesion green paper will also serve as the green paper for the mountains.

In a Europe with a great number of organized micro territories the concept of territorial cohesion in relation to local governance has already been implemented for a long time. In the opinion of **Jean-Michel Courades** at policy level the most important thing in this context is to recognise the added value that territorial approaches can have. The local strategic dimension should be reinforced: the association between local actors is needed; the synergy between local and regional strategies is the best way to reinforce local dimension.

Comments from the floor

Jean-Louis Cazaubon from APCA, France, remarked that the aim of territorial cohesion is to correct certain unbalances. When talking about cohesion it would be important to remember that the second pillar of the CAP is not an answer for the demands on transport and all the other needs, the funding simply is not sufficient.

Sylvain Marmier from FNSEA, France continued by stressing the importance of not opposing the first and the second pillars of the CAP. Both pillars have quite distinct functions and the function of the first pillar, to secure the food security in Europe, should not be jeopardised either. An urgent question for mountain agriculture now is how to modernise it so that it can fully participate in the Lisbon growth strategy.

Patrick Salez cited the Health Check of the CAP as an example of a good connection between both pillars. It is also important to remember the “grey rural areas”, the rural areas that are not covered by either ERDF nor EARDF.

Alexandre Czmal from the Insular network explained that discussing territorial cohesion is to discuss the best way of policy-making, hence the importance of actors and partnerships and the proximity between sectoral policies and regional policy.

Gordon Summers from Highland Council, UK, pointed out that in view of the Northern areas, the definition of mountain areas should not be limited to just to slope and height.

Integration despite talk to the contrary seems to have taken a step back in the current programming period when the different funds that used to be integrated on a regional level now have to be implemented separately. In Scotland there is still uncertainty as to which fund is supposed to cover for what. Finally, mountain areas have opportunities and the policy should concentrate on those opportunities.

Thomas Egger from SAB, Switzerland also highlighted that we should not talk about these areas as merely areas of handicaps but as areas of potential.

Nicolas Evrard reminded that there are ways of innovation also in agriculture. The important question is how to get organised; the mountain policy has to coordinate the sectoral, national and regional policies.

Patrick Salez admitted that although coherence between Funds and between programmes has been foreseen in the regulations, there is practically no real instrument of cohesion.

Jean-Didier Hache further cautioned about the difference between high aspirations and reality dictated by the financial ministers, which makes it even more important for the specific areas to work together.

Despite the fact that regional policy is often perceived as a black hole **Seppo Heikkilä** underlined that cohesion has an added value and it has produced results. The fragile areas have high market value in raw materials, minerals, biodiversity etc. In the case of the northern areas the often neglected aspect is that they are a gateway to the Barents. The Northern Sparsely Populated Areas are working on a foresight document entitled “NSPA full sight 2020” to highlight these issues.