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EU Regional Policy – a Policy also for the Youth in Europe's Mountain Areas

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Ladies and gentlemen,

Thank you very much for the invitation to speak at this distinguished conference. It is a particular pleasure for me to visit this beautiful mountain landscape and to deal with topics linked to mountains – because as an Austrian I am emotionally attached to "my" mountains, "my Alps". Living in Brussels as an EU official since ten years, I am missing mountains very much and every opportunity to go there, to regularly spend some holidays or to occupy myself professionally with mountain regions is very welcome to me.

I have gotten the task to tell you something about the opportunities that the EU Regional Policy opens for mountain people in general, and for young people in particular. But I will also mention what we expect from citizens in mountain regions because their participation at the implementation of our policies is a precondition for a successful Regional Policy in the next programming period 2012 – 2020.

Our Regional Policy has the objective to reduce economic and social disparities between the regions of the EU and by doing this to increase Europe's territorial cohesion. It is evident that our Regional Policy strongly covers the mountain regions when it reduces regional imbalances. Firstly, because these imbalances exist in the development of mountain regions on the one hand and lowland areas on the other hand. Secondly, we are facing notable disparities between mountain areas in the "old" EU and the "new" EU – take as examples for that the Alpine area and the Carpathians. Thirdly we have to state quite considerable development gaps even within certain mountain areas – take once more the Alps as an example where you find extremely well developed parts aside of areas lagging behind. And fourthly, even in advanced mountain regions certain structural problems persist.

As I said we do not make a distinction between mountain and lowland regions, we want to reduce disparities wherever and between which regions so ever they exist. But we make indeed a distinction between advanced regions, less developed regions and transition regions, a category between less developed and advanced regions. A mountain region belongs – depending on its level of socio-economic development – to one of these three categories. Projects from all mountain regions can be submitted for support by our Regional Policy >>>

if they are evaluated as a positive contribution to their region's development. But you certainly will agree that we had to and will continue to make differences in the amount which we provide for support. Thus we have foreseen the largest part of our structural funds – the Regional Fund, the Cohesion Fund and the Social Fund – for the less developed regions, and smaller parts for the advanced and the transition regions.

As from 2014, with our new Regional Policy, we will define a less developed region by having a GDP per capita which is below 75% of the EU average. An advanced region is characterised by a GDP per capita above 90 % and transition regions, that are the regions which have grown out of the class of "less developed regions" thanks also to our support measures, these transition regions show a GDP per capita between 75% and 90 % of the EU average.

Into which one of the categories of the current system do the European mountain areas fall? (The current system is quite similar to the future one which I just have mentioned). I cannot enumerate all mountain regions, I give you only some examples: The largest mountain area in Europe, the Alps completely fall in the category of advanced regions, the Pyrenees, the Vosges, the Black Forest, the Cantabrian Mountains in Northern Spain and the Appenine in Italy – they belong to the advanced regions too.

The mountain areas between Spain and Portugal, the Sierra Nevada in southern Spain, the Abruzzi in southern Italy, the western parts of Wales, the uttermost north of Scotland and all mountain areas in the new EU member states like the Carpathians, the Tatra, the Beskids, the Rhodopes just to name some, all these areas fall into the category of less developed regions and thus can tap on much larger funds than projects in advanced regions. You see that with this strategy we try to reduce regional disparities all over the European Union and increase territorial cohesion, with a focus on the South and on the new Member States.

I have explained now the spatial dimension of our Regional Policy and how the mountain areas are situated in our approach. But how do we concretely support regions, mountain regions? Let me turn to some important principles which we follow. Before all I want to mention the partnership principle. Regional Policy was and will be designed not in isolation at some lonely desks in Brussels, but in close interaction between the European Commission and each Member State. It is already in this phase that regions are usually involved by their state's governments. In future we want to even intensify this principle of partnership – we will conclude with each Member State a Partnership Contract which will fix the agreed thematic objectives the project funding will follow.

What is also new is that these Partnership Contracts will translate the overarching goals of our Europe 2020 Strategy – smart, inclusive and sustainable growth - into Regional Policy objectives. On basis of the "Partnership Contracts" "Operational Programmes" for each region of the European Union will be elaborated – and once more in full partnership between the EU on the one and the Member states and Regions on the other hand. And also what concerns the implementation of agreed programs this

partnership will be continued by what is called "shared management": It is not officials far from problems in – for example - mountain regions deciding but a managing authority and other structures in the Member States and in the regions.

What will remain unchanged in the next programming period of our Regional Policy will be the principle of additionality – meaning that our financial support must not substitute national cofinancing of projects. What will be new however is the stronger result orientation of our Regional Policy. We will agree with Member States on clear and measurable indicators in advance in order to guarantee a Regional Policy which really brings about the desired impacts. The new programming period will thus be characterised by a shift from "output" to "impact".

In the last years we heavily supported the construction of necessary road and railway infrastructures, particularly in the new Member States in order to link their regions closer to each other and to the old EU; many mountain regions have benefited by this and gained in accessibility which is particularly important for tourism activities. In the last programming period 2000 – 2007 Regional policy funded in whole the EU 4700 km of motorways, 1200 km of high speed railways and 7300 km of normal railways. 77% of the motorways in cohesion countries were co-financed by the EU. The challenge remains in the EU 10 countries, where motorway density stands at only 35% of the EU 15 average.

Many less developed regions, mountain regions among them, have profited from the intensive support for constructing of and connecting them to fresh water and waste water networks – which is particularly important to create a good quality of life which in turn is a precondition for preventing people – particularly young people – to leave less developed regions. Between 2007 and 2013 20 million people have been connected to modern water supply systems, 23 million more people have gotten waste water treatment – both important contributions to regions to comply with EU environmental standards.

But even more important for young people than good infrastructure connections and efficient water and wastewater management are good job perspectives in their regions. Exactly for that reason we will put in the next programming period 2014-2020 much more emphasis on supporting investments which directly create jobs and thus prevent people, especially young people from leaving their regions and going into the big centres.

How will we do that? I already have mentioned briefly that we will oblige Member States to concentrate investments supported by us on a small number of thematic objectives. There will be a wide range of 11 objectives, but in advanced regions 60 % of our funding will have to be used for only two of these objectives, namely 1. Competitiveness of SME, and 2. Research and innovation. A further 20% of our support will have to go into a third objective, namely into "Sustainable energy" (energy efficiency, renewable energy). Thus 80% of our funding will be concentrated on only three objectives which clearly shows what we see as priorities. In less developed regions we will be a bit less demanding and

request "only" 50% of Structural Funds money to be fuelled into the three categories mentioned. This thematic concentration is a substantial change of our Regional Policy and not yet all Member States are equally happy with it. >>>>

But we think it is the best way to increase efficiency and impact of our Regional Policy, and, less abstractly spoken, increase growth and jobs, as it is requested by the EU 2020 strategy.

I think that this thematic concentration will be of particular advantage for mountain regions and for the younger generation there – and let me tell you why. We know from economic research that SME are responsible for an over-proportional part of job creation. And SME are characterising many mountain regions as large enterprises predominantly are located in the central regions and low lands. When we will put a stronger focus on support for investments in SME making them more competitive, we will contribute to job creation in those SME and open chances for young people to stay in their - mountain – region. May I mention in this context that already in the past programming period we had remarkable successes with supporting SME:

230 000 SME received mainly grants but also loans and venture capital and further 1,100 000 got advice and support , leading to an estimated 1,000 000 jobs created at EU level.

The second of the three thematic prioritized objectives on which we wish Regional Policy investments to be concentrated is research and innovation.>>>>

It is clear that research and innovation is not a widespread activity in mountain regions but nevertheless there already exist universities and research centers in mountain regions who could profit from this thematic priority. We must not forget that also research and innovation pursued in industry and even in SME is supported by us – if it is newly started or continued in mountain areas projects thus also can find an important funding source in our Structural Funds. In that context I want to underline that jobs created in research and innovation are extremely important to prevent young and well educated people from leaving mountain and peripheral regions. The creation of research jobs for young people thus is an instrument for fighting the brain drain which endangers prosperous regional development.

For our reinforced policy focus on R&D we were motivated by good successes in the last programming period 2000 - 2006 with support of investment in research : nearly 38 000 R&D projects were funded by Regional Policy which lead to the creation of over 13 000 long term research jobs.

As I have already told investments in the field of "sustainable energy" are an absolute priority for the next programming period 2014-2020. Increasing "energy efficiency" as well as investments necessary for the production and wider use of renewable energy will be supported by us. >>>

Clearly this is a very important opportunity for mountain regions too because they offer a big potential for hydroelectric power production, for wind and solar energy as well. Investments in sustainable energy will economically strengthen mountain regions as exporters of energy and in same time these investments will maintain the environmental quality of life in mountain regions. Both will instigate economic growth and thus the creation of jobs. In addition mountain regions will remain attractive for tourism and as a center of life for its youth.

Let me now turn to another element of our Regional Policy which offers interesting opportunities for people – young and adult – in mountain regions. Since many years we are supporting European Territorial Cooperation which concretely reinforces the cooperation between European regions. With this policy – ETC its acronym – we are funding projects jointly developed and submitted by several regions together. Our ETC program is organized in three strands:

1. "Cross border cooperation" between neighbour areas separated by a border – this program gets with 6,4 billion Euros the most within ETC because 182 million people live in cross-border areas – which is 38% of the total EU population.
2. "Interregional cooperation" of regions within the EU to exchange experiences and best practices.
3. "Transnational cooperation" improving integration within a specific larger space – currently all EU regions and citizens are covered by at least one of the existing 13 transnational cooperation areas.

For the three strands 9 bn Euro are foreseen for 2007 – 2013. And because ETC runs very well we propose for the next programming period 2014-2020 to increase the budget by 30 % to 11,7 bn Euro. To show you that this increase is justified let me go a bit into detail about how the possibilities which ETC offer are used by European mountain regions.

Currently in total 53 cross-border programs are implemented in the European Union. We are proud to say that Europe's mountain regions have very well taken up the opportunities and are implementing 14 cross border programs – which is nearly 25% of all cross border programs! To mention some examples: The mountain regions of France are cooperating with mountain regions in five neighbour states. We have a cross-border-program covering the Pyrenees between Spain, France and – as a non EU-member! – Andorra; >>>

further on the program called "Alcotra" between France's and Italy's neighbour regions has been launched; thirdly a cross-border program has been started which is very relevant for the region we find ourselves today – namely the program between French and Swiss mountain regions; and last but not least the program "Rhin Superieur" comprising regions from Germany (Black Forest), the Vosges (France) and Switzerland has been set up.

Like in France also the mountain regions in other Member States successfully implement ETC cross-border cooperation programs. Italian mountain regions are realizing 3 programs, one with regions in Austria, another one with regions in Switzerland, a third one with Slovenia.

Clearly the density of cross border cooperation is highest in the Alpine area, but cross border cooperation was also started between mountain regions of Poland and Slovakia (covering the Tatra mountains), between mountain regions of Poland and the Czech Republic (covering the Beskidy mountains), between Greece and Bulgaria, between Portugal and Spain.

So much about the colourful picture of cross-border cooperation. And what is the situation in transnational cooperation? In total 13 programs are currently implemented by European regions.>>>>>

4 of them – which is nearly a third! – are uniting numerous mountain regions within greater European spaces. To mention just two transnational programs: The program "Central Europe" covers regions from North-Italy, Austria, Slovenia, Hungary, eastern Germany, Poland, Czech Republic and Slovakia. The other example is the Alpine Space Program. In this program almost exclusively mountain regions are fruitfully cooperating – namely regions from southern Germany, eastern France, northern Italy, Austria, Slovenia, Liechtenstein and Switzerland. Because this program concerns so many regions represented here today let me tell you a bit more in detail about it.

Started in 2007, it has a total budget of around €130 million. Community investment through the European Regional Development Fund (ERDF) amounts to some €98 million, which represents approximately 75% of the total budget.

What does the program want to achieve? The Alpine Space Programme aims to increase the competitiveness and attractiveness of the Alpine space area by developing joint actions in fields where transnational cooperation is more effective and is also required for sustainable solutions.

Concrete results will be measured in terms of enterprise creation, employment rates, pollution levels, environment awareness levels, public investment generated, and so on. More than 150 small and medium-sized enterprises and Research and Technological Development centres, 30 environmental authorities and NGOs, and 10 transport authorities/mobility operators will finally be involved in and benefit from the project activities. The Programme will see more than 25 quality-oriented projects carried out.

The Alpine Space Programme wants to improve the future development along the following three

priorities:

Priority 1: Competitiveness and Attractiveness of the Alpine Space.

The focus is on:

- Strengthening the innovation capabilities of SMEs, promoting their development and fostering cooperation between R&D centres and SMEs;
- Enhancing development based on traditional sectors and cultural heritage; and
- Strengthening the role of urban areas as drivers of sustainable development and the development of peripheral areas.

Priority 2 of the Alpine Space Programme is accessibility and connectivity of this area.

What is supported here:

- Access to public services, transport, information and communication;
- Enhancing connectivity for a knowledge-driven information society;
- Sustainable and innovative mobility models focused on environmental, human health issues; and
- Mitigating the negative impacts of traffic flows crossing the Alps.

Priority 3: Environment and Risk Prevention

Under this headline the following will be cofinanced by the EU Regional Policy:

- Cooperation on environmental protection issues;
- Integrated approaches to conservation, planning and management of natural resources and cultural landscape;
- Resource efficiency with respect to water, energy, land use, raw materials and other natural resources; >
- Coping with the effects of climate change; and
- Forecasting, predicting, mitigating and managing the impacts of natural and technological hazards.

Why did I describe you in quite a detail what the Alpine Space Transnational Cooperation program is doing? Well, my intention was to show you that the EU Regional Policy 1.cofinances concrete programs which in same time bring together the people, also the young people from European mountain regions – this is not only a Regional Policy achievement, but a true contribution to European Integration; 2. The EU Regional Policy sets clear priorities for a development creating a sustainable future, a future in which the adults and youth of today and the youth of tomorrow will find it worth to stay in their mountain regions.

Ladies and gentlemen,

EU Regional Policy offers a lot, but it also requests something from citizens. We from the Commission together with the authorities of Member States and regions could design the most perfect and ambitious programs but without the energy and engagement of individual persons who want to realise a concrete project all programs would remain paper.>>>

Therefore we appeal to all citizens and in particular to the young ones – as entrepreneurs, as administrators and managers, as activists in NGOs...- to participate and contribute dedicatedly to the development and implementation of regional projects.

To facilitate this we have even foreseen a new instrument for the next programming period - the so called "community led development". With this new instrument we want to financially support initiatives of local citizens groups who want to develop projects from "bottom up" and not "top down". Community led development is particularly appropriate for villages and cities and was somehow inspired by the Leader-programs which you certainly know. I personally think that community led development is also a very appropriate way of stimulating the participation of young people at local development projects.

In this context I do not want to forget to mention that we wish to oblige Member States to reserve at least 5% of Structural Funds money for sustainable and integrated urban development. After all mountain regions are not only populated by villages but also by cities and some of them suffer from problems in the fields of transport, congestion, segregation etc This 5%-minimum should guarantee that the urgent needs of cities are not forgotten.....

Ladies and gentlemen,

I hope that with my short speech I could make clear that Regional Policy investments had already many immediate and positive effects, but even more importantly that these investments will bear their big positive effects in the medium- and long-run - as this is the case with any investment activity and any investment-support. In that way our Regional Policy is a policy for tomorrow, and thus by definition is a policy for the youth!

Thank you for your attention!