

TWENTY-FIVE YEARS OF EU DEBATE ON TERRITORIAL POLICY: TIME TO GO BEYOND INTERGOVERNMENTAL RHETORIC!

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Abstract

Twenty-five years have elapsed since the first ministerial meeting on European territorial policy held in Nantes in 1989. It is worth taking stock of progress achieved by policy makers since this landmark event. Arguably, mixed results have been achieved, in terms of both content and process. The practical implications of the recognition of territorial cohesion as a formal EU policy objective have not yet been fully clarified.

Participants in the process raised various key policy issues, several of which remain to be clarified. Three of them will be commented upon in this paper:

- *EU cohesion policy remit: should this policy be mainly dedicated to a mere communicating vessels game between better- and less well-off regions (question “how much EU funding in which regions?”), or on the contrary, should it also encompass a content-related and territorial dimension (question “ESIF¹ to do what and where?”); put otherwise, what are the implications for the EU territorial policy and should reference policy maps be elaborated to illustrate geographically differentiated policy options?*
- *Interdependence between various areas of the EU and the subsequent need for transboundary² territorial integration: to what extent have the successive INTERREG territorial cooperation initiatives actually contributed to a genuine territorial integration process?*
- *Governance / decision-making process in the area of EU territorial cohesion: should the “Community method” apply to decisions to be made in connection with EU territorial development? How should the subsidiarity principle be applied, with what specific practical implications?*

1. Introduction

A quarter of a century ago, on 24 November 1989, the first informal meeting of ministers responsible for spatial planning in the European Community³ took place in Nantes. It had been convened and was chaired by Jacques Chérèque, French Minister Delegate for spatial planning, who had also invited his friend Jacques Delors, the then President of the European Commission (Faludi & Waterhout, 2002, pp.

¹ ESIF = “European Structural and Investment Funds”

² As recommended by Dühr, S., Colomb, C. and Nadin, V. (2010), the word “transboundary” is used generically in this paper to refer to various types of territorial cooperation, generally labelled “cross-border” and “transnational” in the INTERREG territorial cooperation supported by the EU.

³ At the time, the “European Union” was still an unknown concept

34-35). This event, which went relatively unnoticed at the time, triggered a long-lasting policy process, which led to the publication of the European Spatial Development Perspective (ESDP) and the two successive versions of the EU Territorial Agenda (“TA 2007” and “TA 2020”).

This process has already been extensively commented upon in various publications. Providing a detailed description of it in this short paper would be pointless. Suffice it to recall some key-milestones. In 1991, it was decided in The Hague to set up the “Committee on Spatial Development (CSD)”, which brought together the ministerial departments responsible for spatial planning in the member states and the European Commission. In 1993, a large majority of Ministers participating in the Liège informal Council supported the elaboration of a “European Spatial Development Perspective (ESDP)”. The first official draft of the ESDP was adopted in Noordwijk in 1997 and the ESDP itself in Postdam in 1999. In parallel, a new strand was introduced in 1996 in the INTERREG II Community Initiative “to foster transnational cooperation initiated by Member States and other authorities with responsibilities for spatial planning within a framework of common territorial development priorities” (EC, 1996, p. 23). This transnational cooperation strand has been maintained until now in all the generations of INTERREG (or “European territorial cooperation”) programmes. In 2000, the CSD (which was informal in nature, albeit hosted by the European Commission), was replaced by the formal “SUD (Spatial and Urban Development) sub-committee” of the Management Committee of the Structural Funds, later renamed “Territorial Cohesion and Urban matters (TCUM) committee”. On 3 June 2002, the European Commission approved the ESPON 2006 CIP⁴. In May 2007, the Territorial Agenda of the European Union (TAEU) was agreed in Leipzig at the Informal Ministerial Meeting on Urban Development and Territorial Cohesion. The same year, an Action Programme was approved in Ponta Delgada (Azores, Portugal) and the “Network of Territorial Cohesion Contact Points (NTCCP)” was created to provide technical support for the implementation of the Territorial Agenda. On 1st December 2009, the Lisbon Treaty entered into force, which means that “territorial cohesion” was henceforth explicitly recognised as a key policy-objective of the EU. In May 2011, the revised Territorial Agenda, “TA 2020” was agreed at the Informal Meeting of Ministers responsible for Spatial Planning and Territorial Development in Gödöllő (Hungary).

Various key policy issues were raised during this twenty-five year process. Three of them will be commented upon in this paper:

- the EU cohesion policy remit: should this policy be essentially limited to a mere communicating vessels game between better- and less well-off regions (question “how much EU funding in which regions?”), or on the contrary, should it also encompass a content-related and spatial dimension (question “ESIF⁵ / structural funds to do what and where?”);
- the interdependence between various areas of the EU and the subsequent need for territorial integration;
- the governance / decision-making process in the area of EU territorial cohesion.

Other very important policy issues would also be worth addressing below, in particular the need for policy integration between various sector policies with a territorial dimension (environment, transport/mobility, energy, etc.) However, this need is not typical of EU policy, since cross-sector integration is also a difficult issue in the domestic context. Recent years have witnessed growing

⁴ CIP stands for “Community Initiative Programme”. Initially, “ESPON” stood for “European Spatial Planning Observation Network”. More recently, the ESPON 2013 programme has been renamed “European observation network on territorial development and cohesion” while keeping the “ESPON” acronym unchanged.

⁵ ESIF : recently introduced acronym, standing for “European Structural and Investment Funds”. These currently include the European Regional Development Fund (ERDF), the European Social Fund (ESF), the Cohesion Fund (CF), the European Agricultural Fund for Rural Development (EAFRD) and the European Maritime & Fisheries Fund (EMFF).

interest for urban development among stakeholders involved in EU regional policy programmes, as exemplified by the considerable success of the Reference Framework for European Sustainable Cities, the URBAN Community Initiatives, the URBACT programmes and other ERDF-funded operations dedicated to urban development. These issues are also outside the scope of this paper.

Thus, let us concentrate on the three key-issues referred to above, including the related policy responses which may be envisaged.

2. The EU cohesion policy remit: communicating vessels game or territorial strategy?

The first and second multiannual financial frameworks of the European Community, the so-called “Delors Package I” (1988-1992) and “Delors Package II” (1993-1999) were characterised by a dramatic increase of the budgetary means (or “structural funds”) allocated to the regional policy. This was a major policy shift: the relative share of the Common Agricultural Policy in the EC budget, initially overwhelming, was projected to decline in future. Considerable amounts of ERDF monies, match-funded by national contributions, were allocated to various regions facing specific difficulties, in particular Objective 1 areas “whose development was lagging behind”. Beneficiaries were not supposed to do whatever they liked with the subsidies. On the contrary, strict compliance with eligibility rules was required, but this had more to do with administrative and procedural aspects (e.g. the so-called “audit trail”) than content-related issues. All the operations were supposed to contribute to the achievement of some key policy objectives, but these were defined in relatively broad terms. More recently, the Lisbon strategy, followed by the Europe 2020 strategy⁶, put forward a series of policy objectives, for example in terms of education level, investment in R&D, job creation, energy and resource efficiency, etc. Despite this relatively more focused policy approach, a wide room for manoeuvre was still left, in principle, to programme managing authorities and project applicants to define their own specific objectives and work plan.

Paradoxically, this room for manoeuvre was not really exploited. For example, the reference objectives set out in the development strategies of most ERDF-funded operational programmes were strikingly similar. This stems from the fact that a set of key policy objectives was already included in the reference EU regulations⁷. Especially in the 2000-2006 and 2007-2013 programming periods, these objectives were rather accurately defined, and reproduced, often literally, in the various operational programmes. Even the reference performance indicators were often identical, which facilitated the aggregation at the EU level of outputs and results delivered by the various programmes. This standardisation process gave rise to criticisms among regional policy experts, epitomised by the celebrated Barca report and its plea for a “place-based approach” (Barca, 2009).

To deal with the EU regional policy, the relevant formation of the Council of Ministers was that responsible for “general affairs”, attended by ministers responsible for economy and/or regional policy when cohesion policy issues were on the agenda. Among these ministers, a minority were also responsible for spatial planning. This was for example the case in France and Portugal, but more the exception than the rule. One of the reasons why ministers responsible for planning set about holding regular informal meetings from the nineteen-nineties onward was the sense of frustration they could legitimately feel when considering, on the one hand, the considerable size of EU budgetary means and their allocation discussed by their colleagues responsible for regional policy, and on the other hand the virtual impossibility to allocate these means to operations contributing to the achievement of specific objectives set out in territorial planning strategies. Most, if not all, of the ERDF-funded operational

⁶ during the 2000-2006 and 2007-2013 programming periods respectively.

⁷ See for example the regulations applying to the 2007-2013 programming period (European Parliament and Council of the European Union, 2006a and 2006b).

programmes and single programming documents did not include any map to provide a geographically differentiated picture of policy priorities.

This frustration of ministers (and their respective departments) responsible for planning was probably the main reason for initiating the ESDP / Territorial Agenda process. To some extent, the same comment applies to the “territorial cohesion” paradigm, whose rationale, however, seems more complex. At least two distinct, and even divergent, policy approaches to territorial cohesion can arguably be identified: the first tends to equate territorial cohesion to a range of positive discrimination steps in favour of different categories of penalised areas (peripheral, less accessible, mountainous, sparsely populated, prone to natural disasters, etc.); the opposite approach places the emphasis on the need for integrated territorial planning strategies and the integration of EU policies (Doucet, 2006). The first approach is of course favoured by various regional lobbies, and the second one by the world of spatial planning (ministerial departments, regional planning administrations, research centres addressing territorial development issues, including the ESPON network, etc.)

This ambiguity about the very content of the territorial cohesion paradigm has led to a paradox: whereas it has been formally recognised as a fundamental policy goal in the Lisbon Treaty, territorial cohesion remains some sort of UFO, as nobody has ever been able to provide an authoritative definition of it, not even the European Commission in its dedicated Green Paper (EC, 2008). Moreover, no reference EU policy map has ever been proposed, let alone approved, to illustrate what the achievement of the territorial cohesion ideal should entail in practical terms. However, some tentative contributions, e.g. the scenarios of the ESPON 2006 project 3.2 (Transnational project group of ESPON Project 3.2, 2007), the VASAB Long-Term Perspective⁸ for the Territorial Development of the Baltic Sea Region (VASAB CSD, 2010), and the Territorial Vision (“TeVi 2050”) of the ESPON 2013 project ET 2050 (Transnational project group of ESPON Project 2013/1/19, 2014), represent significant steps in the right direction.

The ESPON projects 3.2 and ET 2050 proved to be very stimulating exercises and produced considerable food for thought. However, it seems difficult to use the scenarios and the proposed Territorial Vision as formal policy tools. Even though quite many policy makers were consulted for the elaboration of these documents, the process was clearly informal in nature, and more a knowledge-based than a formal policy-driven exercise.

By contrast, the process initiated in the early nineteen nineties, which led to the adoption of the VASAB LTP in October 2009 (the so-called “Vilnius Declaration”, VASAB CSD, 2010, pp. 49-53) represents a remarkable achievement. The authorities involved managed to reach a formal agreement concerning the implementation of a joint spatial strategy focusing on issues of transboundary relevance⁹. This seems to be an unprecedented achievement. True, similar strategies were also produced at an earlier stage, and not only in the Baltic region¹⁰, but the degree of involvement of the national and regional authorities concerned, and of formalisation of their cooperation, was considerably lower.

Drawing on the VASAB experience, “EU strategies” have recently been elaborated by the European Commission, at the request of the European Council, to address various challenges and opportunities in the Baltic, Danube and Adriatic-Ionian macroregions: EUSBSR (EC, 2009 & 2012), EUSDR (EC, 2010) and EUSAIR (EC, 2014c) respectively. At the time of writing, one more such EU strategy is about to be published by the EC: the EU Strategy for the Alpine Region (EUSALP).

⁸ Henceforth referred to as “VASAB LTP”.

⁹ i.e. issues which, by their very nature, cannot be properly tackled without transboundary cooperation, e.g. water pollution in an international river basin, missing links of a transport network in border areas, etc.

¹⁰ See for example the Atlantic Spatial Development Perspective (CPMR, 2005) or the North West Europe Spatial Vision (NWMA Spatial Vision Group, 2000).

The content of these strategies, and more specifically their contribution to territorial integration, will be addressed in Section 3 below. For what concerns the territorial dimension of the EU cohesion policy however, it cannot be denied that their elaboration represent a significant step forward. Should such strategies be elaborated and implemented over the entire EU territory, a major breakthrough would be accomplished, especially if maps are also produced, on the model of the VASAB LTP, to clarify geographically differentiated policy priorities. The communicating vessels game between better- and less well-off regions, which has mainly characterised the cohesion policy so far (question “how much EU funding in which regions?”), would be supplemented (and of course not replaced) by a more strategic territorial approach (concentrating on the question: “ESIF¹¹ to do what and where?”).

The current state of things, however, raises a real issue: would it be acceptable that significant parts of the EU territory are not covered by a strategy similar to the first four EU strategies mentioned above? Especially in Western Europe, the elaboration of such a strategy does not seem to be on the agenda for the time being. Perpetuating this asymmetric situation is not appropriate in the long run.

The time seems ripe for the European Council to request the Commission to go a step further. This would consist in elaborating similar strategies for other macroregions in such a way that the entire EU territory is covered. In an ideal world, a synthesis of all these territorial strategies should also be produced and approved by the European Council. The resulting document would provide, for the first time in the history of the EU regional policy, a consistent and geographically differentiated picture of policy objectives in the area of territorial cohesion¹². A long-awaited but never attained objective since the initiation of the ESDP process in the nineteen nineties. This process could be preceded by the publication of a White Paper on EU territorial cohesion, a document which the European Parliament and the Committee of the Regions urged the Commission to produce (Böhme, K., Doucet, Ph., Komornicki, T., Zaucha, J., Świątek, D., 2011, p.23). At a meeting of ministers responsible for EU cohesion policy held in Poznań in November 2011, the Polish Presidency of the EU recommended this publication, but to no avail (Polish Ministry of Regional Development, 2011, p.3).

3. The need for territorial integration

For lack of clear reference definition, it remains difficult to know what “territorial cohesion” actually means. Things are different for what concerns “territorial integration”, a notion which could arguably be regarded, by the way, as a component among others of the elusive territorial cohesion concept.

This notion was already referred to decades ago, after World War II, possibly even earlier on. At the time, “territorial integration” as well as “regional integration”, its quasi-synonym, were essentially regarded as a process geared towards the integration of economies. Its starting point was often the establishment of a free-trade area, and it could potentially lead to the full unification of economic, monetary, taxation and social policies, as typically experienced in modern nation-states. It could also be argued that the EU integration process initiated in the nineteen fifties by the European Coal and Steel Community (ECSC) is destined to reach a similar outcome (Marchal, 1965, p. 33. Doucet, 2013, p.28.)

¹¹ ESIF = “European Structural and Investment Funds”

¹² The same document could also take on board various objectives of the EU integrated maritime policy. This question, however, is rather complex and intricate, and it seems difficult to address it properly in this short paper. Suffice it to indicate that Directive 2014/89/EU, recently approved, establishes an EU “framework for maritime spatial planning aimed at promoting the sustainable growth of maritime economies, the sustainable development of marine areas and the sustainable use of marine resources” (Art. 1.1). This entails the integration of economic, social and environmental aspects of various policies and the elaboration of “maritime spatial plans”. One may wonder why a similar process would not be justified in the area of “land spatial planning”...

In more recent times, the phrase “territorial integration” has reappeared, especially in the framework of the INTERREG territorial cooperation supported by the EU Cohesion policy, but with a slightly different interpretation. The following definition¹³ was proposed in a report published in 2011 by the Polish Presidency of the EU: “the process of reshaping functional areas to make them evolve into a consistent geographical entity; this entails overcoming the various negative effects stemming from the presence of one or more administrative borders, which hamper harmonious territorial development.” (Böhme & al., 2011, p.29) This process may take place, for example, in a metropolitan area. In that case, the aim will be to overcome the fragmentation resulting from the competition between the various municipalities through promoting positive-sum games and a synergetic approach geared towards the implementation of a joint territorial strategy. Similarly, and more importantly for this paper, territorial integration may also take place in cross-border or macroregional areas¹⁴. In principle, it should even be regarded as a strategic objective, an arguably even the most strategic one, of the EU INTERREG cross-border and transnational cooperation programmes.

The reality is different. Despite some stimulating breakthroughs, the realisation of genuine territorial integration has for long been more the exception than the rule in the INTERREG operations. However, there seems to be growing (albeit still limited) interest about this topic, especially in the framework of the preparation of the new 2014-2020 programming period of the ESIF. To ascertain this, let us examine the achievements of the successive generations of INTERREG programmes.

3.1. INTERREG I and INTERREG II: the first experiments

During the 1989-1993 programming period of the EU structural funds, the first INTERREG “Community Initiative” was “designed to help border areas to prepare for a frontier-free Europe” (CEC, 1993, p.27). This means that cooperation, albeit encouraged, was not even a prerequisite for various operations to be recognised as eligible for ERDF funding. For example, various single-country operations were supported in Greece, France, Denmark and Germany¹⁵.

Although genuine cooperation was strongly encouraged in the framework of INTERREG II (i.e. during the 1994-1999 period), projects taking place on one side only of the national border remained commonplace, especially at the EU external borders¹⁶. The INTERREG II ex-post evaluation team acknowledged that projects often contributed to reduce or eliminate the isolation of diverse border regions, but this observation also referred to the better connection of various remote regions to more

¹³ Surprisingly, this definition appears to be the first ever published after more than two decades of INTERREG cooperation. While making several references to the notion of territorial integration (for example in the definition of “territorial cooperation”), the CEMAT spatial development glossary (CEMAT, 2007), does not define it. “Territorial integration” must not be mistaken for “integrated territorial development”, whose (very ambitious) aim is to bring together and harmonise various sector policies of territorial relevance (transport, environment, regional development, etc.) with a view to defining and applying an integrated cross-sector strategy.

¹⁴ Examples include the joint management of water resources and the green infrastructure in a transnational river basin, the integration of a transport network through the completion of cross-border missing links, the establishment of networks of SME and research centres in a macroregion, the integration of the labour market at the transboundary scale, etc.

¹⁵ In general, the ERDF funding allocated to these INTERREG projects was modest (ECU 7m. in Bornholm, Denmark; 5m. in Baden-Württemberg, Germany; 6m. in Rhône-Alpes and 10m. in Franche-Comté, France). Yet some sizeably larger amounts were granted in Germany (ECU 37m., Bavaria) and especially in Greece (ECU 340m. for the construction of the Egnatia highway linking up the Ionian Sea to the Turkish border)

¹⁶ Among the programmes dedicated to operations at the EU external borders, Programme No 28, “Greece / External borders” was the best endowed: no less than €540m. eligible expenditure (including €344m. ERDF funding) was entirely incurred on the Greek territory.

central ones of the same national territory. “One-side projects” took even place at the internal borders. This was particularly the case at the Spanish-Portuguese border. Measure 3.1 (“Accessibility”) of the INTERREG IIA ES-PT Programme¹⁷ supported 106 projects, whose total eligible cost amounted to €266.7m. According to the ex-post evaluation report, “Cross-border co-operation was non-existing in this measure. All projects in this measure are genuine one-side projects and the main reason for lacking cross-border partnership was, according to both Spanish and Portuguese parties, that there was no need for cross-border co-operation since the projects were simply implemented on one side.” (LRDP Ltd & al., 2003, Annex 1.F, p.107) The same report also pointed to significant progress made towards greater integration / coordination of the management of various INTERREG II programmes, including the establishment of joint programme secretariats. However, a really integrated cross-border programme management took place in only about one-third of the programmes, almost entirely those on internal borders with low isolation and a long-standing tradition in cooperation (LRDP Ltd & al., 2003, p.13).

In 1996, the European Commission published the “INTERREG II C Guidelines” (EC, 1996). This was rightly regarded as a major step forwards in the ESDP process¹⁸. According to the Guidelines, INTERREG II C programmes were meant to foster, among other policy aims, “transnational cooperation initiated by Member States and other authorities with responsibilities for spatial planning within a framework of common territorial development policies adopted for continuous geographical entities covering areas in more than one Member State”, and “to improve the impact of Community policies on spatial development.” (EC, 1996, Art.5) Much could have been hoped for from such an innovative approach, including in terms of territorial integration (even though this notion was not explicitly referred to in the Guidelines). According to the ex-post evaluation report, the final outcome was below expectations: “Although a number of projects with strategic character were produced (the spatial visions, projects on transnational corridors, transnational flood protection initiatives etc.), bottom-up projects were in overwhelming majority. They were frequently carried out by partnerships composed of local or sub-regional authorities and related to the management of common issues of local character rather than to the tackling of real transnational issues. A reason for this imbalance in project generation was the rather modest involvement of the national and regional spatial planning authorities in the elaboration and implementation of projects.” (LRDP & al., 2003, p. 21.)

3.2. INTERREG III: territorial cooperation comes of age

Taking stock of the first two generations of INTERREG programmes, the INTERREG III Guidelines (EC, 2004¹⁹) set the course for the 2000-2006 period. Paraphrasing the conclusions of the INTERREG II ex-post evaluation report, the Guidelines depicted as follows the state of play in the area of territorial cooperation: “The kind of strong cooperation that takes place, for example, in ‘Euroregions’ is still the exception rather than the rule. Whereas a great deal of development activity has taken place in border areas and those areas have certainly benefited from that activity, it has generally been much more difficult to establish genuine cross-border activity jointly. In some cases, this has led to perverse effects such as parallel projects on each side of the border. In any case, it has prevented border areas and Member States from reaping the full benefits of cooperation.” (EC, 2004, §5)

¹⁷ INTERREG IIA ES-PT was the best endowed of all the INTERREG II programmes, with a total budget amounting to €776m., out of which €569m. ERDF funding.

¹⁸ At the time, the ESDP (European Commission, 1999) had not yet been approved, but a series of other reference documents were already available, including the “Europe 2000” and “Europe 2000+” communications published by the European Commission and the “Leipzig Principles” (approved in September 1994), elaborated in the framework of informal meetings of EU ministers responsible for spatial planning.

¹⁹ This version includes the original of the INTERREG III Guidelines, initially published in 2000.

In response, the objectives of the INTERREG III initiative were defined more accurately in the guidelines published by the European Commission. Strand A cross-border cooperation was intended to “promote integrated regional development between neighbouring border regions, including external borders (neighbourhood programmes) and certain maritime borders” and “to develop cross-border economic and social centres through joint strategies for sustainable territorial development.” (EC, 2004, §6 and §9). As to the transnational cooperation of Strand B, it was meant “to contribute to harmonious territorial integration across the Community” and “to promote a higher degree of territorial integration across large groupings of European regions, with a view to achieving sustainable, harmonious and balanced development in the Community and better territorial integration with candidate and other neighbouring countries’ (EC, 2004, §6 and §12). Territorial integration was thus repeatedly referred to.

To what extent was this message taken on board in INTERREG III programmes and projects? According to the INTERREG III ex-post evaluation report, mixed results were obtained in this respect. Some projects of Strands A and B did contribute to territorial integration, but the cross-border or transnational relevance of the other operations remained a critical issue. Many of these, including various investment projects and others generating “soft cooperation outcomes” contributed at best to addressing issues faced on either side of the border. In other instances, especially in programmes covering the external and new internal borders²⁰, so called “one-sided projects” were still common place.²¹

In the same report, the following guiding principles were put forward to improve the elaboration of future INTERREG programmes:

- “Programme strategies need to address and effectively tackle issues of real cross-border or transnational relevance.
- This requires an analysis of cross-border and transnational areas taking into account the level of integration achieved and identifying how integration can be further enhanced.
- Programming partnerships should be required to select only a few strategic issues which demonstrate a clear potential for furthering an integration of the cross-border and transnational cooperation areas.” (Panteia and Partners, 2010, p. 21.)

The 2007-2013 period of the EU structural funds was well under way when the INTERREG III ex-post evaluation report was published. Therefore these guiding principles were essentially relevant for the preparation of the current 2014-2020 programming period.

3.3. INTERREG IV : no explicit reference to territorial integration

During the 2007-2013 programming period of the EU structural funds, “European Territorial Cooperation” (better known as INTERREG IV²²) was formally recognised as the third objective of the cohesion policy. Article 3 (c) of General Regulation 1083/2006 provided that the European territorial cooperation objective should be aimed “at strengthening cross-border cooperation through joint local and regional initiatives, strengthening transnational cooperation by means of actions conducive to

²⁰ In May 2004, ten new member states joined the European Union. This means that several national borders, initially “external”, became internal borders of the EU during the 2000-2006 programming period.

²¹ Further detail about the contribution of INTERREG III programmes and operations to territorial integration can be found in the INTERREG III ex-post evaluation report (Panteia and Partners, 2010). See for example section “IV. Conclusions on the overall impact of INTERREG III”, pp. 16-17 of the report.

²² In principle, the formal recognition of “European Territorial Cooperation (ETC)” as one of the formal policy objectives of the EU cohesion policy, has led to a change in terminology, “ETC” taking over from “INTERREG”. In practice however, “INTERREG” remains widely used by participants in ETC programmes and operations. Therefore “INTERREG IV” and “INTERREG V” are respectively understood in this article as the equivalents of “ETC 2007-2013” and “ETC 2014-2020”.

integrated territorial development linked to the Community priorities, and strengthening interregional cooperation and exchange of experience at the appropriate territorial level.” (European Parliament and Council of the EU, 2006b, Art. 3 – 2 [c]). This regulation includes no explicit reference to territorial integration, which cannot be reasonably regarded as a necessary component of “joint local and regional initiatives” (“joint initiatives” may result in very soft exchanges of experience on issues of local interest) or “integrated territorial development” (which could refer to an integration between sector policies).

The same comment applies to ERDF Regulation 1080/2006. However, reference is made, especially in the presentation of strand A (cross-border cooperation), to some notions akin to territorial integration, e.g. “cross-border trade”, “cross-border water, waste and energy systems and facilities”, “integration of cross-border labour markets”. Nevertheless, many other activities of a more general nature are also included in the list of eligible operations: encouraging entrepreneurship, supporting links between urban and rural areas, improved access to transport, information and communication networks and services, etc. (European Parliament and Council of the EU, 2006a, Art. 6 [1]). As far as strand B (transnational cooperation) is concerned, four broad priority areas have been defined: innovation, environment, accessibility, and sustainable urban development. In each of them, a wide array of activities is eligible for ERDF funding. Since these activities are not intrinsically conducive to territorial integration, an additional condition must be fulfilled for projects to be eligible: those dealing with innovation are required to “make a direct contribution to the balanced economic development of transnational areas”, those addressing environmental or accessibility-related issues must carry out “activities with a clear transnational dimension”, and those involved in sustainable urban development must have “a clear transnational impact” (European Parliament and Council of the EU, 2006a, Art. 6 [2]). At first sight, this additional condition may appear rather demanding, but a careful reading of Article 6 [2] of the regulation, including the various examples of eligible operations provided, clearly suggests that a project contribution to territorial integration is not regarded in practice as an eligibility criterion.

This is implicitly confirmed in the section of the regulation dedicated to the selection of cross-border and transnational cooperation projects: “Operations (...) shall include beneficiaries from at least two countries, of which at least one shall be a Member State, which shall cooperate in at least two of the following ways for each operation: joint development, joint implementation, joint staffing and joint financing. The selected operations fulfilling the abovementioned conditions may be implemented in a single country provided that they have been presented by entities belonging to at least two countries.” (European Parliament and Council of the EU, 2006a, Art. 19 [1]).

Paradoxically, the so-called “mainstreaming” of INTERREG (i.e. its inclusion as “European territorial cooperation” in the EU regulations relating to regional policy) has been accompanied by the disappearance of any explicit reference to territorial integration in the EU regulatory framework of the 2007-2013 programming period. This does not necessarily mean that no practical progress towards territorial integration was made during this period. However, such progress was not a formal requirement. Despite this, it may have taken place, but this remains to be examined in the framework of the ex-post evaluation of INTERREG IV, still in its inception phase at the time of writing.

Moreover, it should be borne in mind that various important territorial cooperation activities took place outside the INTERREG framework and gathered pace during the 2007-2013 programming period. This important breakthrough is addressed below in a dedicated section.

3.4. INTERREG V: better prospects for territorial integration?

The ESIF-funded operational programmes of the current 2007-2013 programming period were approved at a rather late stage. It is therefore premature to analyse the characteristics of operations

supported in this framework. Nevertheless, an analysis of the reference regulations recently adopted for this period provides some useful insights.

First, an integrated approach is explicitly encouraged in many sections of the regulations. New notions have been introduced such as “community-led local development” and “Integrated Territorial Investments (ITI)”. The emphasis is however placed on policy (rather than territorial) integration, and even more on the coordination of financial means provided by various sources of funding²³.

Second, little reference is made to territorial integration. The “Common Strategic Framework (CSF)” (Annex 1 to Regulation 1303/2013) includes one single reference to it, under heading 4.9 relating to “Instrument for Pre-accession Assistance, European Neighbourhood Instrument and European Development Fund” (European Parliament and Council of the EU, 2013a.). Territorial integration is not mentioned at all in ERDF regulation 1301/2013 (European Parliament and Council of the EU, 2013b), but this may appear quite normal since a distinct regulation specifically concentrates on ETC, namely Regulation 1299/2013 (European Parliament and Council of the EU, 2013c). Explicit reference is made in this regulation to the issue of territorial integration, but rather incidentally (in Article 2 [2] concerning transnational cooperation) for a document entirely dedicated to the “ETC goal”. All the same, the reintroduction²⁴ of such an explicit reference is good news.

Third, more importantly and beyond these considerations about terminology, the overall content proposed in Regulation 1299/2013 for operations of the ETC goal represents a real progress. There remains a certain lack of focus, but a series of interesting “investment priorities”, conducive to territorial integration, are put forward, for example “supporting labour mobility by integrating cross-border labour markets, including cross-border mobility” or “developing and coordinating macro-regional and sea-basin strategies” (Ibid. Article 7, “Investment Priorities”). The reference to these strategies in particular is not fortuitous. Indeed, this makes possible the establishment of a critical link between ESIF-funded INTERREG cooperation and the elaboration of strategies recently catalysed by the European Commission.

Furthermore, Common Provisions Regulation 1303/2013 provides that “the Partnership Agreement²⁵ shall also indicate (...) the main priority areas for cooperation under the ESI Funds, taking account, where appropriate, of macro- regional strategies and sea basin strategies.” (European Parliament and Council of the EU, 2013a, Article 15, 2 [a] ii).²⁶

²³ This is particularly clear in Article 36 of Common Provisions Regulation 1303/2013, which reads: “Where an urban development strategy or other territorial strategy, or a territorial pact referred to in Article 12(1) of the ESF Regulation, requires an integrated approach involving investments from the ESF, ERDF or Cohesion Fund under more than one priority axis of one or more operational programmes, actions may be carried out as an integrated territorial investment (an ‘ITI’).” (European Parliament and Council of the EU, 2013a.)

²⁴ As a reminder, explicit reference was made to “territorial integration” in the INTERREG III Guidelines, but no longer in the regulations of the 2007-2013 programming period. Noteworthy is also the fact that this reference applied exclusively to strand B “transnational cooperation”, whereas the vaguer and softer notion of “integrated territorial development” has always been used, surprisingly enough, to present the main objectives of strand A “cross-border cooperation” since the programming period 2000-2006.

²⁵ The “Partnership Agreement” is the reference document prepared by each member state and approved by the European Commission to provide guidance on the use of EU structural funding during the 2014-2020 programming period.

²⁶ Further detail about these strategies has been provided in chapter 7 (“Cooperation activities”) of the CSF referred to above (Ibid.). In item 7.1.4, it is notably stated that “Member States shall seek to ensure that where macro-regional and sea basin strategies have been put in place, the ESI Funds support their implementation”. According to item 7.2.2, “Member States and regions shall, in the areas concerned, seek to draw on cross-border and transnational cooperation to:

These provisions of the regulatory framework applying to the 2014-2020 programming period clearly represent a significant breakthrough and improve the outlook for genuine territorial integration in the coming years, the critical issue examined here.

It must be stressed, however, that the field of cooperation in the framework of macro-regional strategies is sizeably wider than regional policy-related activities supported by the ESIF. Any confusion therefore needs to be avoided between the INTERREG VB ADRION, Baltic Sea Region and Danube Programmes and the EUSAIR, EUSBSR and EUDSR macro-regional strategies, even though ESIF subsidies of the programmes may of course provide a very significant financial contribution to the strategies.

In principle, this should considerably improve the prospects for further and deeper European territorial integration in the coming years. There is a momentum to seize. Nevertheless, there remains significant room for progress to raise awareness in the coming years about the need for territorial integration. This notion is barely touched upon in the three operational programmes concerned, and no specific indicator²⁷ has been designed to measure progress made in this field (INTERREG VB Adriatic-Ionian transnational partnership and European Commission, 2014; INTERREG VB Baltic Sea transnational partnership and European Commission, 2014; INTERREG VB Danube transnational partnership and European Commission, 2014).

Last but not least, territorial integration should also be regarded as a key-objective of the cross-border cooperation of INTERREG strand A programmes. The focus recently placed on macro-regional strategies must not hide the fact that territorial integration has already taken place, in some case for many years, in the framework of cross-border cooperation. Especially in areas where standing conferences such as “Euregios” were set up, in some cases long ago, a genuine territorial integration process may have taken place. It is not possible to dwell on this in this short paper, but it seems clear that any future in-depth study on territorial integration in the EU should take this other type of cooperation fully on board.

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- (a) ensure that areas that share major geographical features (islands, lakes, rivers, sea basins or mountain ranges) support the joint management and promotion of their natural resources;
 - (b) exploit the economies of scale that can be achieved, in particular with regard to investment related to the shared use of common public services;
 - (c) promote coherent planning and development of cross-border network infrastructure, in particular missing cross-border links, and environmentally friendly and interoperable transport modes in larger geographical areas;
 - (d) achieve critical mass, particularly in the field of research and innovation and ICT, education and in relation to measures improving the competitiveness of SMEs;
 - (e) strengthen cross-border labour market services to foster the mobility of workers across borders;
 - (f) improve cross-border governance.”

According to Item 7.3.3., “Member States shall promote, where appropriate, the use of ESI Funds in the context of macro-regional strategies, for the creation of European transport corridors, including supporting modernisation of customs, the prevention, preparedness and response to natural disasters, water management at river basin level, green infrastructure, integrated maritime cooperation across borders and sectors, R&I and ICT networks and management of shared marine resources in the sea basin and protection of marine biodiversity.” (Ibid.)

²⁷ Other indicators have been designed to monitor, for example, the “cooperation intensity” in the Danube area, but this does not provide any relevant indication of progress made towards deeper territorial integration.

4. The governance / decision-making process in the area of EU territorial cohesion

In section 2 above, a case has been made for the elaboration of a consistent EU territorial cohesion strategy providing a geographically differentiated picture of policy objectives. Obviously, such an undertaking should prove very challenging, both technically and politically. Whereas the ESPON projects 3.2 and ET 2050 have provided a Europe-wide picture with no formal validation by policy-makers (even if some of these were consulted on an informal basis), the reverse took place in the case of the VASAB Long-Term Perspective: the document was formally approved as a guiding reference by an intergovernmental forum of ministers responsible for spatial planning and development, but its geographic scope is limited to a component of the EU territory, namely the Baltic Sea Region (VASAB CSD, 2010, pp. 49-53.)

To take up the challenge, it seems clear that the issue of EU territorial governance needs to be revisited. Little progress has been made on this in recent time. To some extent, the adoption of macro-regional strategies represents a step forward in this respect, but it is not the European Commission's intention to generalise the elaboration of such strategies to the entire EU territory²⁸.

However, the Greek and Italian Presidencies²⁹ managed to reach a consensus in informal ministerial meetings on the necessity to secure a more structured and systematic political debate in the Council about EU economic, social and territorial cohesion. It was proposed that this debate be held in regular dedicated sessions of the General Affairs Council. This represents a move in the right direction, to avoid leaving these important issues in the hands of ministers responsible for Finance or European Affairs. Nevertheless, these sessions are not likely to be attended by ministers responsible for territorial development, at least in the short run, but instead by their colleagues responsible for regional policy.

Since the adoption of the revised Territorial Agenda of the EU (TAEU or "TA 2020" / Informal Ministerial Meeting of Ministers responsible for Spatial Planning and Territorial Development, 2011), little has been made to promote its application. Sizeably more attention has been paid to urban development than territorial cohesion. This may seem paradoxical: after all, the involvement of the EU in urban affairs is not quite in line with the subsidiarity principle, but we may assume that the EU is always "competent" to provide subsidies...

Yet in 2011, shortly after the adoption of TA 2020, the Polish Presidency came up with an interesting proposal, namely the elaboration of a White Paper on Territorial Cohesion. According to the Presidency, "several countries welcomed the proposal (...) regarding this as an important step forward in translating the Territorial Agenda into practice and following the Green Paper adopted in 2008. However, it was also suggested that this may lead to rigidity and that an informal Working Paper would suffice." (Polish Ministry of Regional Development, 2011, p.35, §17). The proposal was thus not implemented.

²⁸ "New initiatives should only be launched if there are particular needs for improved and high-level cooperation. These should be of strategic importance for the macro-regions and translated into a limited number of well-defined objectives with an appropriate set of indicators to measure progress. Common challenges (such as environmental deterioration, climate change adaption, impact of natural and man-made disasters, connectivity gaps, striking income disparities) and/or opportunities (such as openings for research networks, expanded markets, modernising administrations) should be evident, as well as agreed geographical identity. It is therefore an approach only to be used in particular circumstances where involvement of the EU is appropriate, and existing EU horizontal policies reinforced." (EC European Commission, 2013, p. 10.)

²⁹ Respectively during the first and the second semesters of 2014. Cf. Informal Meeting of Ministers responsible for Cohesion Policy, 2014 and Italian Presidency of the Council of the European Union, 2014.

This is a telling sign of a lack of political will. For the time being, neither a majority of planning departments represented in the NTCCP nor the European Commission seem ready to draw the logical consequences of the recognition of territorial cohesion as a fundamental EU policy goal. Among these consequences, the first is that formal meetings of the Council should be held regularly to take stock of progress made in the area of EU territorial development. This could entail a formal approval of TA 2020 or any other reference document as official EU territorial cohesion strategy. In principle, such a decision may be made by the Council acting by a qualified majority, in accordance with the ordinary legislative procedure³⁰. Alternatively, owing to the multi-sectoral nature of territorial cohesion, a process similar to that applying to the EU Maritime Policy could be initiated, the first milestone of which would be the adoption of a framework directive in the same vein as the approach adopted in Directive 2014/89/EU on “Maritime Spatial Planning”. (European Parliament and Council of the EU, 2014.) In both cases, the so-called “Community method” would apply: decision made through qualified majority voting, on a proposal from the European Commission (the so-called “right of initiative”). To date, the high Commission officials of DG Regio have carefully avoided initiating such a procedure, but it cannot be ruled out that one day they follow the way paved by their colleagues of DG Mare. There does not seem to be any legal obstacle on the road, but the lack of political remains the main stumbling block.

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³⁰ In the Maastricht Treaty (Article 130D), such a decision had to be made by the “Council acting unanimously”. Since the adoption of the Nice Treaty, this is no longer the case: according to Article 161 of the Treaty establishing the European Community (nowadays Article 177 of the Treaty on the Functioning of the EU), the Council shall act in accordance with the ordinary legislative procedure (i.e. by a qualified majority on a proposal from the Commission).

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