

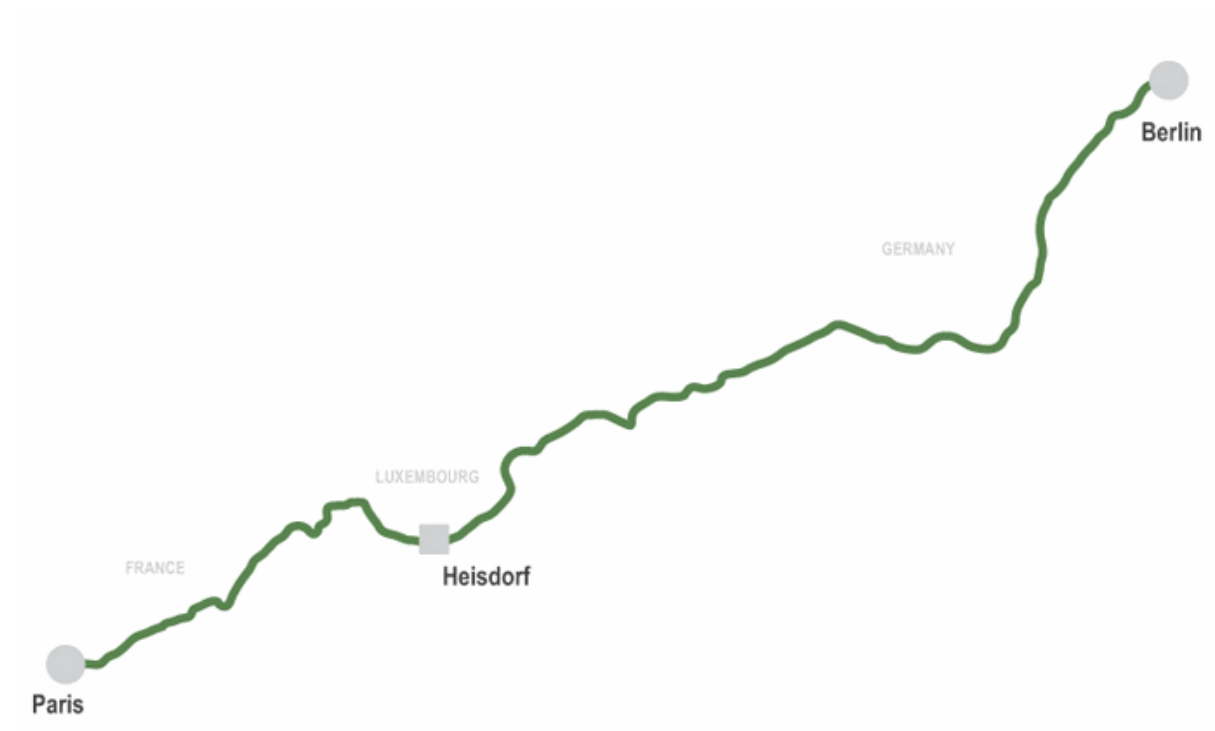


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**POSSIBILITIES FOR AN INSTITUTIONAL
ANCHORAGE OF TERRITORIAL COHESION**

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BRIEF



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Possibilities for an Institutional Anchorage of Territorial Cohesion¹

This Spatial Foresight Brief derives from a background paper based on on-going research within the framework of the research project of the German Federal Institute for Research on Building, Urban Affairs and Spatial Development (BBSR) "The territorial dimension of the future EU cohesion policy", conducted by Spatial Foresight GmbH in cooperation with Taurus Eco Consulting GmbH.

As the Lisbon Reform Treaty positions territorial cohesion as one of the aims of the EU, the EU Commission received the competence to become active in this field. This in turn raised questions as to whether and if so how, this aim and the corresponding legal competence should be realised institutionally, in order to make full use of the potential opened up by the Treaty provision.

Experience with the ESDP (European Spatial Development Perspective) and the Territorial Agenda have shown that the non-binding character of the cooperation and documents regarding the territorial dimension of EU policies leads to rather fragile implementation processes in the EU Member States and at EU level. Consequently, there are voices arguing for transferring the current informal structures into formal ministerial meetings and Council decisions on territorial cohesion. This has been suggested, for instance, by the EU Parliament in its opinion on the Green Paper on Territorial Cohesion, by the Committee of the Regions in its opinion on the fifth Cohesion Report, in the Barca Report, and in the work of the TA 2020 Task Force on decision mechanisms in the field of territorial cohesion.

To further this debate, we discuss in the following which tasks could possibly be better solved at Council level than in the current structures, and review different alternatives for dealing with territorial cohesion at Council level. To start with, we provide a short overview of the current situation.

Status Quo

Territorial cohesion is subject to the shared management of the EU Commission and the Member States. At present territorial cohesion is addressed at European level mainly in two different ways, as the European Commission has been rather reluctant to present proposals on how to exercise this competence:

- Intergovernmental cooperation in the area of the Territorial Agenda, which relies mainly on the *National Territorial Cohesion Contact Points* (NTCCP) and informal ministerial meetings, is an important building block. The focus of this cooperation is completely on territorial matters.
- The second important building block is the shared management of EU Structural Funds with the *Structural Actions Working Party* (SAWP), the *Coordination Committee of the Funds* (COCOF) and the *Sub-Committee on Territorial Cohesion and Urban Matters* (TCUM) at working level. In this context, territorial cohesion is one of three dimensions next to economic and social cohesion. As the Structural Funds regulations are decided upon by the General Affairs Council, this building block involves Council decisions.

¹ This paper has been developed in discussion with Sabine Zillmer and Christian Lürer at Spatial Foresight and Klaus Sauerborn at Taurus Eco. It draws furthermore on discussions with Peter Mehlbye (ESPON), Thimo W. Eser (LU), Ulf Savbäck (SE), Philippe Doucet (BE), Andreas Faludi (NL), Maria José Festas (PT) and Margarita Jančič (SI). I would like to thank all colleagues who have contributed to this paper.



The Council and its tasks

The Council is made up of the ministers of the Member States. The Council is a single body, but for reasons relating to the organisation of its work, it meets – according to the subject being discussed – in different "configurations", which are attended by the Ministers from the Member States and the European Commissioners responsible for the areas concerned. It meets in 10 configurations (previously there were 22). Acts which are directly relevant to the lives of EU citizens and have a considerable international impact are adopted by the Council, usually in conjunction with the European Parliament.

- It adopts legislative acts (Regulations, Directives, etc.), in many cases in "co-decision" with the European Parliament.
- It helps coordinate Member States' policies, for example, in the economic field.
- It develops the common foreign and security policy, on the basis of strategic guidelines set by the European Council.
- It concludes international agreements on behalf of the Union.
- It adopts the Union's budget, together with the European Parliament.

Possible tasks at Council level

An institutionalisation of territorial cohesion at Council level is usually expected to imply an increase of political importance and strengthening of the territorial dimension at the level of EU policy making. To actually strengthen the territorial dimension by the means of Council meetings requires powerful Council meetings with important decisions on their agenda. Therefore, the key question to be answered is: Which decisions could be taken at Council level, or which tasks are insufficiently dealt with by the present structures and could be better resolved at Council level?

Tasks which could possibly be resolved better at Council level are:

◉ **EU Territorial Development Perspective**

Having the Council adopt and monitor a long-term and strategic framework document on territorial development might strengthen the territorial dimension and lift the work carried out so far such as the ESDP, TAEU, TA 2020 to a new level. Such a framework document would need to be binding for the EU Commission and Member States and imply regular reporting obligations on its implementation.

◉ **Coordination of sector policies**

There is a need for a stronger dialogue on the territorial impacts of policies, territorial preconditions for policies, and territorially differentiated policy-making. Such a dialogue is needed across policy sectors both at European level and in the Member States. In this respect the Council could initiate such a dialogue or decide upon and monitor corresponding coordination mechanisms.

◉ **Strategic orientation of European Territorial Cooperation**

A Council decision could strengthen the importance and strategic orientation of European territorial Cooperation. At present, there is no evident lead stakeholder to give the programmes and projects a long-term and territorial orientation.

◉ **EU macro-regional strategies**

EU macro-regional strategies for the Baltic Sea Region and the Danube Region have been adopted by the General Affairs Council. This procedure can also be used for future macro-regional strategies and could also include the monitoring of the strategies. The monitoring of the implementation and further development of these strategies deserves particular attention and should be strengthened accordingly.



◉◉ **Global territorial cooperation**

Territorial development policies need to be strengthened beyond European cooperation. Europe's territorial development is influenced by developments in neighbouring countries and other parts of the world. At present, a European stakeholder for the global dialogue on territorial issues is lacking.

The above possible tasks are presented in the order of declining priorities, but other prioritisations are possible depending on the perspective. This list can also be extended by adding further potential tasks to it.

Institutional alternatives

There are various options for addressing the above tasks at Council and working level. To illustrate this, the present paper sketches six alternatives for an institutionalisation of territorial cohesion tasks. These alternatives are ranked according to their declining level of institutionalisation.

Establishment of a new Council

Alternative 1 – Territorial Cohesion Council

A specific Territorial Cohesion Council composed of the ministers responsible for territorial cohesion, could address all the potential tasks listed above and position the territorial dimension strongly in the EU. Its focus would be on decisions involving objectives shared by all Member States, the analysis of European and national measures and the adoption of recommendations for the EU Commission and Member States. The Council meetings would offer the Member States a platform for a continuous dialogue.

Such a Council formation would offer the possibility of discussing the territorial dimension of relevant EU sector policies, although it could raise questions as to what degree such a Council could address policies for which other Councils formations were responsible. In any case, other sector Council formations would need to consider decisions made by the Territorial Cohesion Council, which might imply additional coordination efforts. Furthermore, the establishment of such a Council could also strengthen the position of the ministers responsible for territorial dimension at national level.

As the number of Councils has just been reduced from 22 to 9 in 2000, it might be politically difficult to argue for the establishment of a new additional Council. More importantly, do the above listed tasks require regular Council meetings with a sufficient number of important decisions, which would motivate ministers to participate? Furthermore, present cooperation in the field would risk losing its informal and open character if a Territorial Cohesion Council were established. It would also imply a formal separation from other sector policies, which could contradict the integrative idea of territorial cohesion or boost territorial policies and allow for a dialogue among equals with other sector policies.

Alternative 2 – Cohesion Policy Council

As early as under the presidency of Jacques Delors (President of the EC-Commission 1985-1994), the possibility of a Regional or Cohesion Policy Council was discussed. This idea also features partly in the discussion of a possible institutionalisation of territorial cohesion. Such a Council would primarily deal with EU Cohesion Policy, i.e. the regulations which currently are adopted by the General Affairs Council. In addition, it could deal with relevant strategic framework documents, questions regarding



the budget and conditionality, national partnership contracts and strategies, and monitoring and evaluation of EU cohesion policy. In all these areas such a Council could strengthen the territorial dimension.²

Furthermore, such a Council could adopt a European Territorial Development Perspective and monitor its implementation. This would offer a political platform for territorial development strategies and SAWP, COCOF and NTCCP could support such a Council at working level e.g. with the preparation of the ministerial meetings.

The possibility of establishing a Cohesion Policy Council is more realistic than alternative 1, as EU cohesion policy accounts for over 40% of the EU budget. This alternative would also imply changes to the open and informal character of the present cooperation on the field of territorial cohesion. Furthermore, the shared management system of EU cohesion policy would change. At the same time, territorial cohesion would be only one of three pillars (next to economic and social cohesion) in such a Council. While this would allow for a better integration of territorial considerations, there is a risk that such a Council would be composed of ministers of economy or finance, which might actually sideline territorial considerations. Furthermore, such a solution would most likely not encourage the development of long-term strategic documents, as the focus would be mainly on the programme cycle of EU Structural Funds. This would most likely also be true of a territorial development strategy adopted by such a Council.

Docking on existing Councils

Alternative 3 – General Affairs Council

The macro-regional strategies for the Baltic Sea Region and the Danube Region have shown that territorial matters can be dealt with by the General Affairs Council³. So, why should it not be possible for the General Affairs Council to address territorial issues on a regular basis and even adopt a strategic framework document on the territorial development of the EU?

Building on existing structures is probably easier than establishing a new Council and territorial cohesion would benefit from the high political status of the General Affairs Council. Although such a solution would most likely not cover all of the potential tasks listed above, it should be possible to provide anchorage for at least the most important tasks. However, there is a risk that territorial issues could be sidelined in the course of the day-to-day political business where other topics usually have higher priorities on the political agenda. Furthermore, the General Affairs Council is usually composed of the ministers of external or European affairs, and does not involve the ministers responsible for territorial development.

² For the discussion of possible tasks of a EU Cohesion Policy Council see also Barca, F. (2009) An agenda for a reformed cohesion policy. S. 186-187 und Böhme, K.; Doucet, P.; Komornicki, T.; Zaucha, J.; Świątek, D. (2011) How to strengthen the territorial dimension of Europe 2020 and EU Cohesion Policy. Warsaw. S. 17-35.

³ At its sessions on General Affairs, the Council deals with dossiers that affect more than one of the Union's policies, such as negotiations on EU enlargement, preparation of the Union's multi-annual budgetary perspective or institutional and administrative issues. It coordinates preparation and follow-up to meetings of the European Council. It also plays a role in coordinating work on different policy areas carried out by the Council's other configurations, and handles any dossier entrusted to it by the European Council.



Alternative 4 – General Affairs Council PLUS

Placing territorial issues on the agenda of the General Affairs Council has two advantages as compared establishing a new Council. Firstly, it builds on existing Council structures and is easier to implement. Secondly, the informal and open intergovernmental cooperation in the field of territorial development can continue.

Consequently, there might also be the option of combining the existing informal cooperation with the adoption of key documents in the General Affairs Council –which explains the PLUS in the title of this alternative. This informal cooperation could play a major role in the preparation of the Council decisions. There could be disadvantages, as the informal ministerial meetings will be difficult to continue, if the Council takes the important decisions. Therefore, the question is how to ensure sufficient momentum for the informal cooperation to progress in long-term strategic matters. It might be possible to establish a sub-group or Sub-Council composed of (all) the ministers responsible for territorially relevant policies under the General Affairs Council. However, this would be an extremely large group, which could only come together on particular occasions and would require extensive preparations in the Member States.

Strengthening of existing Structures below the Council level

Alternative 5 – Territorial sub-group of the SAWP

A strengthening of the territorial dimension can also be achieved without specific territorial Council decisions. Indeed, in many cases it might be preferable to strengthen the territorial dimension in other Council decisions, instead of producing specific decisions on territorial matters. In this respect, strengthening the territorial understanding and awareness of the *Structural Action Working Party* (SAWP) would deserve particular attention. This could be achieved, either by sending territorial experts to the SAWP meetings or by establishing a sub-group on territorial matters. In the long-run this could allow for a better integration of the territorial dimension in the Council decisions prepared by the SAWP.

Alternative 6 – Informal cooperation

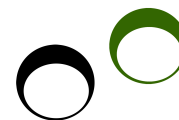
Another alternative is to continue the present informal cooperation without any institutional changes. This would maintain the open discussion character of the cooperation, but might also hold the risk that the cooperation will lose momentum if no important political decisions can be achieved.

Need for discussion

A number of (political) preferences need to be clarified to further the discussion about a possible institutional implementation of the competence for territorial cohesion. Therefore, we suggest a broad dialogue (and possibly supporting studies) addressing following features:

What to do? Regulations and strategic framework documents

If territorial cohesion is to be anchored at Council level, there must be a clarification of the topics on the Council should take decisions and why that would be more effective than the current procedures. The Council is a legislative body. As discussed above, there are only a few cases where decisions on EU regulations etc. on territorial matters are needed. Acting through the Council is generally intended to give strategic territorial documents a higher political status. The pros and cons of an institutional



anchorage at Council level vary depending on the intended aims and tasks. Therefore we recommend a discussion on the aims and tasks before discussing possible institutional settings.

If there is a large number of Council tasks, a Territorial Cohesion Council (alternative 1) might be the best solution. If the main intention is to have strategic documents adopted by the Council, other Council formations could serve this purpose (alternatives 2 to 4). If the main aim is to strengthen territorial matters behind the scenes, a solution without direct Council involvement might be sensible (alternatives 5 and 6).

Interdisciplinary work? Possibilities of influencing sector policies

The desire to strengthen the territorial dimension in sector policies is an importation motivation for institutionalisation. Different forms of institutionalisation allow for different spheres of influence at European and national level. This ranges from the establishment of a territorial sector policy through a separate Council, via the formal influence of other sector policies by decisions taken by the General Affairs Council, to informal interdisciplinary dialogues making use of existing institutional settings. Having a strong institutional structure can most likely increase the influence on other sector policies and strengthen the importance of territorial policies in the Member States. On the other hand, informal processes and preparatory support for decisions in existing Councils would stress the interdisciplinary and integrative character of the territorial dimension. Therefore, the question is whether the integrative dimension or the strengthening of a territorial sector policy should have priority.

A separate Territorial Cohesion Council (alternative 1) would position territorial development as strong sector policy at the same level as other sector policies. The other Council solutions underline instead the integrative and coordinating character of territorial development. The Cohesion Policy Council (alternative 2) stresses the integration with regional policies and economic and social cohesion. The focus on the General Affairs Council (alternatives 3 and 4) opens up a broader playing field for interaction with relevant sector policies, supported by the status of General Affairs Council decisions. The informal solutions (alternatives 5 and 6) offer also a broad variety of options, but without the statues of a Council decision which also allows interaction with other sector policies on equal footing.

How to cooperate? The importance of status and informal character

Actual cooperation in the field of territorial development is characterised by its informal nature and open discussions. This brings both advantages, e.g. the open cooperation attitude and broad input, as well as disadvantages, e.g. in terms of a lack of commitment and sluggish implementation. Institutionalisation and consequently the changed status of the cooperation would most likely imply a shift from cooperation to negation. While this could give new impetus to the cooperation and make it stronger and more focused, there is a risk, that formalisation will weaken the spirit of cooperation. In principle, the two options represent two different forms of policy making. Therefore, there is a need to discuss whether territorial cohesion can be strengthened better within the present framework of cooperation or with a formal status and a stronger institutionalisation.

A separate Territorial Cohesion Council (alternative 1) would most likely strengthen the formalisation, while other Council solutions (alternatives 2 to 4) offer a possibility of formalising cooperation, and in parallel – e.g. in alternative 4 – strengthening informal cooperation. The alternatives without Council involvement (alternatives 5 and 6) focus on the open and informal nature, but it has to be underlined



that here changes will also be necessary (as compared to the status quo) in order to reach new momentum.

What time line? Strengthening existing structures

An institutional solution in terms of a Council is a long-term goal. In the meanwhile, the territorial dimension needs to be strengthened also in the short- and medium-term perspective. As the TA2020 needs to be implemented quite soon, the question of which structures could be made better use of needs to be investigated, in order to provide an anchorage for clearly defined tasks, strengthening territorial cohesion in the near future.

The establishment of a new Council (alternatives 1 and 2) could be proposed as long-term goal, addressing territorial matters in the General Affairs Council (alternatives 3 and 4) could be realised in a medium-term perspective, and strengthening the present cooperation (alternatives 5 and 6) can even be done in a short-term perspective.

Depending on the answers to the above questions, the different alternatives can be ranked. There is definitely a need for further studies on the pros and cons and the feasibility of the various alternatives. However, in the main a political orientation is needed to indicate how territorial cohesion is to be strengthened and what character and status it is to have.