

EU Regional Policy Post 2006

'What Regional Policy for Prosperous Regions?'

Seminar Proceedings & Outcomes

South East England House, Brussels

Thursday 16 October 2003

Delivering Sustainable Growth in the EU?

10 Priorities for Regional Policy

INTRODUCTION

EU regional policy is at a crucial stage in its development and South East England wants to make sure that the voice of the more prosperous regions are heard in the discussions about its future. In our document "*Building a Bigger Europe*" we set out our region's thoughts on the way we would like to see regional policy within the European Union developing. Since we published our document eight months ago, we have found a growing number of other regions sharing our thoughts on the future. As a result, the individual offices making up South East England House in Brussels decided to organise a seminar targeted at the more "prosperous" regions in order to develop key messages which we would jointly wish to take to our Member States and the European Institutions.

Although not all invited regions could attend, 15 regions from 9 member states took part in the meeting and contributed to the discussions. The delegates from the regions at the meeting strongly supported South East England's belief that the EU needs a regional policy for all regions and all citizens. The regions also expressed the opinion that the policy must have cohesion as a principal aim, but that this will be best achieved through the improvement of regional competitiveness and sustainable development while also tackling issues of inclusivity. Equally important to cohesion is the overall competitiveness of Europe within a global economy, - cohesion will be impossible to support if Europe cannot take its place as

the number one knowledge based economy in the world. The achievement of the Lisbon and Gothenburg agendas should therefore be the paramount drivers of the development of the new EU policies and their instruments, especially regional policy. This means that the more prosperous regions need support from EU policies and instruments to enable these regions to address the issues which hold them back from being the best in the world - without their success there will be little hope of achieving the agendas that the EU has set for itself.

The summarised outcomes - the ten points agreed at the seminar - were fed into the Rome Council meeting on the 20th October. The following document not only gives a more complete view of the proceedings of the seminar in South East England House, but also analyses the outcomes of the Rome Council meeting.

The seminar which I had the honour of chairing on 16th October 2003 in Brussels was the first time that the motor regions of the EU economy had joined forces to speak with a single voice. It was an exciting and highly productive event and will undoubtedly lead to a stronger voice being developed for those regions that are well placed to make, now and in the future the largest contributions to the EU, in a whole range of policy areas.



Liz Brighouse

Cllr. Liz Brighouse
Chair of the South East
England Joint European
Committee
Board Member of SEEDA

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2. Why this seminar

In January 2004, the Commission will publish the Third Report on Economic and Social Cohesion that will establish guidelines for the reform of EU regional policy after 2006. Previous reports have emphasised the effects of enlargement and the need to place a priority on helping the new Member States converge their economies with the current EU average.

Box 1: The timetable towards 2007

January 2001:	Second Report on Economic and Social Cohesion
January 2002:	First progress report on cohesion
May 2002:	Future of Cohesion Policy Workshops, Brussels
January 2003:	Second Progress Report on Cohesion
January 2004:	Third Report on Economic and Social Cohesion
During 2004:	Draft Legislation
Up to end 2005:	Establishment of financial perspectives by Council
During 2006:	Negotiation of new Structural Funds Programmes
January 2007:	Implementation of new programmes

While there is a general consensus on the need for the continuation of Objective 1 areas (which will also involve examining statistical questions and phasing out schemes for both Objective 1 and 2 areas), there is less agreement on what will happen to the current Objectives 2 and 3 and the Community Initiatives (EQUAL, URBAN, LEADER+ and INTERREG).

Many prosperous regions make use of some regional funding in one or more of the above programmes. Thus, the seminar contributed to the current debate through the following broad questions:

- Do prosperous regions need an EU regional policy?
- What is the EU added value of previous and possible future policies?
- What type of policies and programmes should continue after 2006?
- How far should the prosperous regions in the EU be eligible for any future funding opportunities?

This seminar was timely and innovative because it addressed the EU regional policy debate from the perspective of the prosperous regions, a perspective that has up to now received less attention. "Building a Bigger Europe" published in February 2003 was one of the first contributions to the debate which has encouraged an exchange of ideas and positions on the regional policy debate.

"Building a Bigger Europe" formed the basis of the South East of England's response to the UK Government's recent consultations on the future of EU Cohesion Policy "A modern regional policy for the United Kingdom" (March 2003). The South East paper emphasises that, despite its image of prosperity, the region also has places with high levels of unemployment, homelessness, weak economic prospects and a degraded environment.

Box 2: The South East England position on the reform of regional policy

The South East supports a future EU Cohesion policy which tackles need, but also increasingly encompasses change and opportunity, enabling different parts of the Union to contribute as appropriate to cohesion. The role of regions like the South East is seen as key in terms of promoting issues such as governance, sustainable economic development, environmental policy and research and development.

3. Proceedings

Morning Session

Introduction by the Chair – Liz Brighthouse, Chair of the South East England Joint Europe Committee and SEEDA Board Member

Liz Brighthouse emphasised the role of so-called prosperous regions as economic ‘drivers’ in relation to the ‘Lisbon Agenda’ in the context of enlargement. The primary objective of the seminar was therefore for such regions to agree on 10 priorities for the future of EU regional policy to feed into the Commission’s forthcoming 3rd Cohesion Report.

Regional Policy in an enlarged EU – opportunities and challenges – Professor Roger Vickerman, University of Kent



In setting the context for the seminar, Professor Roger Vickerman outlined eight key questions for the future of EU regional policy, from why the EU is interested in this field to the most appropriate instruments and delivery arrangements. He also questioned, for example, the appropriateness of 40% of the existing (and 50% after enlargement) EU population being eligible for support. Regional policy needed to be able to address ‘Lisbon’ whilst also helping the less-fortunate regions.

There was, however, a danger of trying to meet too many objectives with a single instrument – with a mix of regional/local government and the EU could probably achieve a great deal more by involving both involving both regional and local government.

Regional policy – current views from the regions – Gerhard Stahl, Acting Secretary General, Committee of the Regions (CoR)

Gerhard Stahl said that, in tandem with consideration of the future financial perspectives, the cohesion policy debate was now at a decisive stage - the seminar was therefore well timed to make a worthwhile contribution. At the request of the Commission, the CoR had provided its own input through its “Outlook” Report involving a 50 page questionnaire to 200 regional and local representatives.

The main elements of consensus, outlined at the Leipzig Conference in May were that:

- the wider disparities brought by enlargement needed to be addressed by EU cohesion policy;
- regions and cities had to adapt to constant change and develop appropriate policies;
- cohesion was part of the European social model, and a key element of the process of integration
- cohesion policy was a political compromise to enable weaker regions to participate in the benefits of the Single market and Monetary Union, and had been successful in this aim.



The CoR therefore recommended that future EU cohesion policy should contain the following elements:

- continued support for Objective 1

- fair treatment for 'statistical' regions
- support for regions outside Objective 1 – a New Objective 2 was needed to help regions implement the Lisbon strategy
- one Structural Funds Instrument
- a continued Interreg programme as it provided real EU added-value
- 0.45% of EU GNP as the financial basis for a credible cohesion policy
- increased simplification and decentralisation and greater involvement of regional and local authorities

Post 2006 thinking on the future of regional policy and key questions for discussion – Ronnie Hall, Deputy Head of Cabinet of Commissioner Barnier



Ronnie Hall explained that the Commission had been seeking to develop a new concept of regional policy over the last few months. Alternatives had ranged from the creation of a 'Restructuring Fund' (a 'cheque' from the EU budget for unemployed people to train, create a business or relocate) to a 'Central Pot' for competitive proposals based on Lisbon.

This 'open-tender' approach had been rejected by Commissioners on 1st October in favour of an approach based on a stable multi-annual framework. DG Regio was therefore proposing an EU cohesion policy based on three strands:

1. Convergence and competitiveness (ERDF)

Priority for Objective 1 regions – a 'fait accompli,' but a discussion was needed on content, eg strengthening institutional capacity.

2. Regional competitiveness and employment – 'New Objective 2'

Two fields of intervention:

- a) Regional programme with three priorities reflecting Lisbon: innovation and knowledge economy; environment and prevention of risks; accessibility (ERDF)
- b) Support to National Employment Strategies (ESF)

All regions would be eligible, with the Member States free to select the regions concerned.

3. Co-operation (ESF)

Strengthen and simplify Interreg – the Commission had nonetheless been surprised to encounter some opposition to EU involvement as it had considered the need for its role in this area to be self-evident

Other areas to be addressed:

- the need for a more strategic dialogue with regions;
- an annual strategy meeting between the Commission, the Council and the Parliament to evaluate and adjust the approach and improve communication;
- flexibility – not all funds would be 'pre-allocated' to Member States in order to take account of unforeseen restructuring or globalisation effects;
- simplification – more use of the 'mono-fund' approach;
- seven-year programming period to 2013

The Afternoon Session: Four Workshops

Summary of main points raised

1. Inclusion

Chair, Richard Mead, Head of European & Regional Policy, West Sussex County Council

Richard Mead introduced the discussion by reference to the questions the workshop had been asked to address:

- How can EU regional policy be developed to help achieve the social targets under the Lisbon Agenda?
- What should the priorities be within an EU regional policy to bring about a socially inclusive society in Europe and what added value can the EU provide to achieve this over and above what regions can do themselves?
- What roles can EU regional policy funding play in the development of social capital and what specific areas are appropriate for EU support?
- Building on the lead the EU has taken in corporate social responsibility and in engaging companies in the social agenda, what other areas could usefully be led at an EU level particularly through regional policy and funding?
- How can EU regional policy evolve to address issues of exclusion such as between the isolated and rural population and urban population, or of equal access to community facilities and services for all citizens?

The workshop agreed that achieving the targets set out in the Lisbon Agenda of a cohesive and competitive Europe would be impossible without strong and prosperous regions. However, these regions can include pockets of relative and absolute deprivation. It is important to ensure that cohesion is not just across regions but also within them and that pockets of deprivation are tackled to enable Europe and its regions to achieve their potential.

The workshop concluded with five key points:

- Need to close the gaps. Pockets of deprivation, which exist in every region, prosperous regions included, are not just pockets relative to the region, but should also be recognised as pockets of deprivation of a European scale. Within prosperous regions, the contrast with these pockets of deprivation can become starker and as regions become more prosperous it will become harder to close off these pockets. Local social capital should be developed in areas of greatest potential, focusing on three over-arching principles:
 - Accessibility / inclusivity;
 - Community governance;
 - Sustainable development.
- Homogenous data and indicators are important. Data on social exclusion does not exist in similar formats Europe-wide. Prosperous regions need to develop tools and produce data to highlight pockets of deprivation, which may otherwise be overlooked. Developing a system of indicators based on GVA (gross value added) rather than GDP (gross domestic product) could take into account some of these wider issues.
- Stable and holistic funding streams are required. EU funding programmes need simplified management processes and more regular cycles for intervention.
- Need to address common target groups across the EU. Pockets of deprivation may not be geographically focused, rather they impact upon sectors of society across the EU, eg: aging population, specific disadvantaged groups.
- Prosperity is a common goal. Regional policy should not be about prosperous regions versus poor. Rather it is in the interest of the whole of Europe for all regions to be prosperous and share in a common European prosperity. For this to occur, experiences should be shared inter-regionally across the EU, to assist tackling the



pockets of deprivation that exist and to allow the poorer regions today become the prosperous regions of tomorrow.

2. Urban and rural regeneration

Chair, Rudolf Niessler, European Commission, DG Regio

Rudolf Niessler introduced the questions to be tackled by the workshop from the perspective of 'prosperous' regions:

- What added-value can the EU provide over and above what wealthy Member States can do themselves?
- What is the right balance between tackling existing needs and seizing future opportunities?
- Should urban and rural problems be mainstreamed or kept within a community initiative?
- How do we approach the interrelationship between urban and rural issues?

He emphasised the particular importance of Urban and Leader for the direct involvement of local and regional authorities. Any mainstreaming would need to include mechanisms to ensure the continued involvement of the latter.

Points raised in discussion included:

- the main added-value in this field for prosperous regions was the scope for innovative and demonstration projects as well as co-operation;
- there was a need for a longer-term perspective more focused on opportunity. Focusing on needs could neglect the importance of preparing for the future;
- 'opportunities v need' was a false premise – we should concentrate resources on where best value for money could be obtained;
- there was an argument for not pouring money into 'leaky barrels' – go for the growth objectives of Lisbon and let market forces resolve the worst areas of deprivation;
- investment per capita needed to be concentrated in order to guarantee success by not spreading the funds too thinly;
- the definition of cohesion should be opened up – eg Interreg didn't necessarily concentrate on the most deprived areas;
- the definition of 'rural' needed to be changed, particularly so that rural towns were not excluded from funding;
- a thematic approach was needed, a map-based approach was not coherent with actual patterns of development and not conducive to the development of urban/rural partnerships.



3 Knowledge, Innovation and Entrepreneurship

Chair: Dr Bernd Steinacher Director of Stuttgart Region

Dr Steinacher introduced the topic and offered a document that the Stuttgart Region Brussels Office had prepared for the day as a discussion paper.

There was common agreement with the statement that: *“Regions, in particular the more prosperous ones, have a strong potential to improve their competitiveness and stimulate growth within the EU. This requires integrated and long term strategies as well as networking within and among such regions.”*

The paper had 8 key messages, which the group discussed:

1. Interlinking regional policies
2. Establishment and Networking of centres of competence and innovation
3. Establishment of institutes/ centres of excellence in education and research.
4. Support for SMEs in the regional context
5. Development of a culture of innovation and entrepreneurship
6. Establishment of an adequate infrastructure
7. Support for new technology application
8. Co-operation between economically stronger and weaker regions, in particular of the new Member States.

The workshop concluded that:

- The Lisbon Agenda and inclusivity were overriding issues that needed to be addressed but that it is important to identify what are the real drivers of the knowledge based economy. The best way to know if we are achieving our targets will be through international benchmarking – European regions need to be compared to the best in the rest of the world
- The workshop also thought that the strengthening and development of co-operative regional policy instrument is vital if the regions are to achieve common objectives and interlink with new members.
- In this context the importance of Interreg to successful regions was underlined and the ways that it could be improved were discussed. The workshop recommended that regions should be free to work with whichever regions were most appropriate irrespective of geographical location. The Interreg IIIB regions were seen as an artificial way of splitting up Europe. Overall the workshop wanted to see Interreg increase in size and scope so that real projects could be undertaken with Europe wide partnerships along the lines of the Interreg 3C regional framework projects.
- There was strong support for regional policy being used to help the establishment and networking of centres of excellence of entrepreneurship and innovation, with the aim of addressing the needs of SME's and creating greater inclusivity. Social enterprise was considered to be a very effective way of encouraging entrepreneurship while providing public services, particularly for the disadvantaged.
- The workshop also wanted to see regional policy assist in the develop culture of innovation and entrepreneurship through:
 - education and training not only at universities and colleges but also through evening classes and /part time courses
 - schools
 - exchange/transfer of expertise and mentoring
 - support for managers in business



4. Environment

Chair, David Davis, Surrey County Council

David Davis introduced the questions to be tackled by the workshop with reference to the bullet points received by the delegates.

- How to combat the negative effects of overheating?
- How can prosperous regions contribute to life style changes and develop social capital schemes?
- Prosperous regions can be international gateway or border regions, and are often in close proximity to capital cities. What should the focus for cooperation between these regions be? How should it be managed?
- What role should EU regional policy play in tackling transnational environmental issues and encouraging innovative environmental management practices?
- The group agreed that EU regional policy should provide a guiding framework for sustainable development across all regions: rich and poor, that only by looking at the issues for all regions, will a balanced approach be possible. It was also agreed that sustainable development should be the overarching principle for all the structural funds.
- There was a great deal of discussion of the urgent challenges that prosperous regions face due to their fast pace economy. There is a real risk of overheating in a number of regions, and this would have a detrimental effect across the whole EU if it continues unchecked.
- High-density population, high resource consumption, high cost of living, traffic congestion, ageing infrastructure and pressures for new-build on green field sites were agreed on as being common causes for concern amongst prosperous regions. Innovative solutions need to be trailed with the support of the Commission.
- It was generally agreed that there would need to be prioritisation on which issues to tackle through structural funding. Reference should be made to the 6th Environmental Action Programme. A menu of themes might include: renewable energy, water management, biodiversity, sustainable urban development, construction and design, environmental technologies, etc.
- Networking with other regions was seen as essential. Projects would have a major impact on Europe's environment as a whole if results and experiences are jointly developed and shared. Better information on what is being developed, and the results necessary.
- Prosperous regions suffer from uneven implementation of European environmental legislation. It was felt that funding should assist implementation of innovative environmental management practices, such as those required under the water framework directive.



From Brussels to Rome – ten priorities

Drawing on the oral and written feedback from each workshop and the panel's remarks, Professor Roger Vickerman was able to facilitate the development of ten priorities that received broad consensus from the 80 participants.



The seminar recommended:

1. An EU regional policy for all regions and for all citizens
2. A thematic rather than spatial approach – recognising the interdependence between urban and rural areas (spatial continuum)
3. Wider partnerships – both horizontally eg regions working together and vertically eg between the local, regional, national and EU levels
4. Greater stability and predictability - regional policy addresses long term issues and needs long term commitment
5. A bottom up focus - driven by local need and engaging local communities
6. Strengthened social inclusion - regional policy will fail successful regions if it is not able to address pockets of deprivation
7. Improved and new sources of data – benchmarking outcomes and processes against the best in the world

These seven points should be underpinned by three cross-cutting themes:

8. Simplification
9. Innovation
10. Sustainable development



Conclusions of the Informal Ministerial Meeting on Cohesion Policy, Rome 20th October 2003

Ministers attending the Informal Meeting on cohesion policy in Rome, on October 20th, recognise that cohesion policy, by aiming at reducing economic and social disparities, can very strongly contribute to implementing the Lisbon and Gothenburg agendas and to boosting growth, employment and competitiveness. They also acknowledge that the enlargement of the European Union and the need to further increase the effectiveness of interventions demand EU cohesion policy, as a unique tool, to undergo reform.

On the features of this reform, several issues have been raised which can enable the future Irish Presidency to initiate, after the Third Cohesion Report, the negotiating phase:

Item	Comments and issues resulting from Prosperous Regions Seminar
<p>1. All countries agree that convergence and growth, solidarity and competitiveness, are not separate objectives. On the contrary, a policy aimed at increasing the growth potential of regions, while not detracting from the growth potential of other regions, can enhance both convergence and overall European competitiveness. The challenge for the enlarged EU is to use its whole potential for growth.</p>	<p><i>The seminar asked the Commission to think in a more "joined-up" way as all policy areas are inter-linked. However a regional policy aimed at increasing the growth potential of all regions is most likely to help achieve the Lisbon agenda.</i></p>
<p>2. Notice has been taken that a growing bulk of experience in many industrialised countries teaches a clear lesson: policies for competitiveness and growth are more effective the more sectoral actions are integrated at regional level and the more the design and delivery take place via a multi level governance.</p>	<p><i>The experience of the more prosperous regions can be of great assistance to those trying to catch up. Programmes supporting interregional collaboration should be strengthened to help achieve this. It is necessary to broaden the range of fields beyond that covered in the present Interreg Programme and remove the regional limitations of the Interreg IIIb programme for substantive projects.</i></p> <p><i>The seminar strongly endorsed the need for multi-level governance and the development of partnerships between local, regional national and EU agencies both on a horizontal and a vertical basis.</i></p>

<p>3. All countries recommend a greater attention to the added value of all cohesion policy interventions: particular reference is made to the coordination in the provision of public goods and networks, to the reduction in disruptive competition among European regions, and to the incentive for institution building and empowerment of regional administrations.</p>	<p><i>The seminar agreed that the added value of all regional policy interventions had to be clear but that there were “softer” values and benefits that had to be taken into consideration as well as the quantifiable economic indicators.</i></p> <p><i>Support for the building of regional institutions and empowerment of regional administrations was not discussed, although the seminar recognised the need for stronger and wider partnerships – both horizontally eg regions working together and vertically eg between the local, regional, national and EU levels. The regional and local dimension is seen as critical in developing a bottom up focus - driven by local need and engaging local communities.</i></p>
<p>4. Most countries agree that EU cohesion policy must involve all EU regions. While some favour an approach which focuses on the poorest Member States. Resources must be further concentrated in lagging regions (including those in phasing out, with a special attention when the “statistical effect” is at work), while thoroughly aiming at the effectiveness of the interventions and taking into account their capacity to actually absorb such funding. Resources should also be focused, at national and regional level, on competitiveness and employment (taking into account special natural handicaps), and on cooperation.</p>	<p><i>The Seminar recommended an EU regional Policy for all regions and all citizens.</i></p> <p><i>Whereas the seminar agreed that substantial funds needed to be focused on the poorest Member States, if the Lisbon Agenda is to be achieved it is vital that the more prosperous regions are assisted to address the issues which hold them back from being the best in the world.</i></p> <p><i>The seminar agreed that the resources should be focused on sustainable development though co-operation and competitiveness but considered inclusivity a more comprehensive approach than simply employment.</i></p>

<p>5. A number of countries agree that Member States should also coordinate their national regional policies in support of the Lisbon and Gothenburg agendas and in accordance with the framework set by EU cohesion policy.</p>	<p><i>If the Lisbon and Gothenburg Agendas are to be achieved it is essential that National regional policies are used to support these objectives within an EU framework.</i></p>
<p>6. There is wide agreement that, in order to implement the Lisbon and Gothenburg agendas, high-level long-term objectives for cohesion policy should be agreed at Community level. The high diversity of economic, social, technological and territorial conditions of EU regions requires implementing instruments and further specific targets to be region-specific and to be established by Member States and regions. This outcome-focused approach can help the EU strategy via peer-review and sharing of best practices.</p>	<p><i>The seminar was fully behind the Lisbon and Gothenburg agendas as “drivers” of EU policies and particularly the EU Regional Policy.</i></p> <p><i>An “outcome focused” approach was highlighted in the seminar as the right way to go, but with an emphasis on a “bottom-up” approach addressing local needs and engaging local communities.</i></p> <p><i>The seminar vigorously supported the strengthening of programmes which support the sharing of best practices.</i></p>
<p>7. The conclusions of the Lisbon, Stockholm and Barcelona European Councils reiterated the need for further reductions in the general level of state aid, with the goals of eliminating those forms of aid that cause the greatest distortions. Almost all countries agree that cohesion policy should be oriented more decidedly to the supply of infrastructure, both physical – in those fields and territories where infrastructure and the provision of services are inadequate - and non-physical - namely research, innovation, accessibility, and human capital - since they are likely to generate a higher long-term impact on regional competitiveness. A sounder policy mix between provision of collective goods and of regional state aid should be aimed at. State aid can be a complementary tool to enhance investments that would otherwise not be made; must not be a tool to shift a given amount of investments from one territory to another. The costs and benefits should then be evaluated of coupling a further reduction in the maximum intensity of regional state aid with higher flexibility, especially in the case of micro-firms and of very small incentives.</p>	<p><i>Whereas the seminar supported the elimination of state-aid distortions, there was a strong feeling that the over-complication of the regulatory framework was a limitation and that specifically there should consideration given to the development of a block exemption for measures that support entrepreneurship and innovation in micro-firms and pre-start-up enterprises.</i></p> <p><i>The use of cohesion funds for physical infrastructure projects is vital if the lagging regions are to improve their performance and the prosperous regions are to cope with the pressures of success but increasing emphasis should be given to the non-physical infrastructure.</i></p>

<p>8. All countries agree that the delivery mechanism of cohesion policy must also be reformed by moving in several directions, among which: a more clear-cut separation of responsibilities among different levels of governments, implementing greater subsidiarity; proportionality between control and the financial size of initiatives; a more rigorous implementation and verification of the additionality principle for the interventions in lagging regions; consideration for results achieved in previous programming period when deciding the form of new interventions; a greater care for institution and capacity building, especially at regional level; a stronger link between resources and results aimed at increasing effectiveness, to be achieved by a more thorough use and visibility of indicators, both at national and regional level; new mechanisms for the exchange of best practice.</p>	<p><i>Simplification; Innovation and Sustainable Development were three cross cutting issues which the meeting felt had to be addressed in all areas, but particularly in the mechanisms of regional policy. The need for clear cut responsibilities of the various levels of government was part of the basis for the meetings call for better partnerships both vertical and horizontal between all levels of government.</i></p> <p><i>The meeting felt that better and more reliable indicators (not only process but also outcomes) need to be developed to ensure that the funding available in the regional policy instruments is properly allocated so as to be able to address significant issues in the regions and also to be able to assess the actual impact and added value of the funding.</i></p>
<p>9. Almost all countries agree that, as a result of current trends and of enlargement, cooperation with high added value must play an enhanced role in EU cohesion policy. Cross-border cooperation must be continued and developed on the internal borders (including maritime). On the external borders, an Interreg-based neighbourhood instrument should allow for the implementation of joint programmes, and funding on both side of the borders, for cross-border cooperation (bilateral and multilateral, terrestrial and maritime). It was stressed that an appropriate legal base should be established for this instrument. It has also been suggested that, in addition to the continuation of current cooperation initiatives, the opportunity could be given to Member States and regions to include some interregional cooperation activities among the priorities of the operational programmes funded by the mainstream funds for all regions. Incentive mechanisms could be adopted to encourage regions to take advantage of this opportunity.</p>	<p><i>Whereas the meeting felt that it was important that instruments supporting cross-border co-operation, including maritime, continue and that programmes with countries on the external borders of the EU needed to be further developed, (probably through the extension of the Interreg programme), <u>of more importance</u> is the strengthening of the Interreg programmes that support inter- regional co-operation but without the existing artificial boundaries imposed in the Interreg IIIB programme. Regions should be free to work with the most appropriate partner regions anywhere in Europe.</i></p>

<p>10. The European Council of October 16-17 called for “the use to a greater extent of the Structural Funds for Research and Development projects bearing in mind the role of this funds to promote cohesion and taking into account the specific needs and potential of different regions”. Along these lines, the Presidency, with the support of many other countries, proposed to evaluate a new focus on large European thematic networks aimed at increasing economic, social and territorial cohesion, concentrating on issues relevant for European strategic actions, such as TEN and the European Research Area: all regions would be embraced, lagging and non-lagging, central and peripheral, according to their different features and needs.</p>	<p><i>The meeting welcomes the “Knowledge Regions” initiative and felt that along with increasing the scale of this programme there were other opportunities for structural funds to be used to strengthen the European research and development base. This is clearly one area where all regions can be engaged but where the non-lagging regions can play a lead role for the benefit of the other regions.</i></p>
<p>11. The definition of the financial envelope for cohesion policy (whether in absolute terms or as a percentage of GDP) must be postponed to the decisions on the overall budgetary structure, on the proposals for reform of the delivery mechanism, and on the policy objectives.</p>	<p><i>The seminar called for extensions and strengthening of various instruments of regional policy. In order to this there must be a credible budget to fund the newly developed instruments and to cope with the increased needs of a bigger Europe.</i></p> <p><i>The South East England Position paper “Building a Bigger Europe” states”...this should be through improving the effectiveness of the structural instruments rather than necessarily increasing the EU’s budget”</i></p>

Overview

Feedback from the seminar from all quarters, both the UK and in mainland Europe, has been positive.

The analysis of the conclusions of the Rome conference indicates that many of the points raised in the seminar in South East England House are already on the Regional Policy agenda. Confirmation will come with the publication of the Third Cohesion Report on Economic and Social Cohesion in January 2004 which will outline Commission ideas for the future of Regional Policy post-2006.

It is likely that the report will recommend a regional policy very much underpinned by both the Lisbon and Gothenburg agendas targeting competitiveness, growth and cooperation across borders.

It is clear that 'prosperous regions' have a vital contribution to make not just in working towards the Lisbon and Gothenburg goals but also contributing to the debate on how an EU regional policy can help achieve the Lisbon and Gothenburg goals while not excluding the need to tackle deprivation and issues of inclusion.





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