

## MEMO

### **METREX Brussels antenna offices' meeting with Wlodek Piskorz, Head of Unit for Urban development, territorial cohesion, 29<sup>th</sup> October 2009**

Present in the meeting were: W. Piskorz, J. Peyrony, J. Magnusson (REGIO C2), S. Schreiber, L. Friedrichsen, A. Solitander (METREX)

The Urban development, territorial cohesion unit of DG REGIO is keen to look into the issue of levels of interventions of EU Regional Policy, both in current but in particular in future structural funds periods. This is where the contribution of METREX's experience of working with functional regions can be of interest for the unit. Mr Piskorz expressed some concern over some overlapping metropolitan initiatives, like the recently launched European Metropolitan Institute. DG REGIO would prefer having one single European level discussion partner on metropolitan issues, and there seemed to be implicit support for METREX as an established organisation to fulfil this role.

The unit is planning on organising or contributing to several events over the next few months, with a hope of discussions feeding in to the formation of future cohesion policy. METREX was invited to contribute to all of them in one way or another:

- 18<sup>th</sup> November: Expert Panel, Hannu Penttilä invited
- 4<sup>th</sup> February: DG REGIO event celebrating 20 years of EU support to urban development. Speakers include Wulf-Mathies, Hübner and Meadows. The aim is to take stock of experiences in the field so far, but also look a bit to the future, taking the themes of the Regions 2020 study as a point of departure. METREX was invited to present its own experiences in this field through an intervention.
- In March a "TCUM Plus" seminar on urban development, in the same format as the Territorial cohesion and territorial cooperation seminar organised by REGIO in September. Levels of intervention to be the central theme. METREX should stay up to date when planning on this advances within DG REGIO.
- In March, the unit wishes to organise a workshop to identify projects that have been financed through cohesion policy instruments that support the Covenant of Mayors. METREX invited to disseminate good practice.
- In May, there will be a dissemination seminar of a study on local development (governance, LEADER-like actions, bottom-up approach, local action groups...). METREX invited to contact team-leader of the study, Marjorie Jouen, if interested.

Finally, METREX was asked to provide METREX maps displaying functional connections of metropolitan regions in Europe to Gabor Novotny (C2).

**Minutes of the meeting with Head of Unit Mr. Nichola de Michelis, DG Regio, Unit for economic and quantitative analysis, additionality and Brussels METREX antenna: Francoise Chotard, Adrian Solitander, Lars Friedrichsen, Sylvia Schreiber (minutes)**

**Venue, Date: Ile de France Office, 3rd November 2009**

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Mr. De Michelis, Head of Economic Analysis Unit in Directorate C, DG Regio, will draft the 5th Cohesion Report which is due to come out 2nd half 2010. He also works on a socio economic analysis of the Danube Macro Region, to define boundaries of the functional region.

Mr. De Michelis was asked by us to draw a possible picture of future EU funding in the post 2013-era. He refers to the paper on budget review, from DG Budget, which was circulated in Brussels in October. This paper is regarded as „scene-setting“. It also lies in line with the speech of President Barroso at EP.

**Key points in the budget- paper:**

- EU future funds should concentrate on three or four main sectors: Climate change, energy, research and innovation, demography. Big amounts of money should be moved from Cohesion Policy to these Sectors.
- Agriculture and the Competitiveness strand in Structural Funds (Obj. 2) will not be funded any longer. Regions in well-being countries should benefit from own national programmes, only Objective 1 –regions will further receive considerable EU money.
- This can basically mean a cut in the DG Regio Structural Funds Budget from now 308 Mio Euro to 150 Mio Euro. The sectoral approach disregards the Cohesion Policy and the territorial approach, as well as the sub-national dimension. (Renationalization of Cohesion Policy)
- The paper is clear on management priorities: Shared management between Brussels and the Member States like in Structural Funds is regarded as inefficient. Money coming from Brussels should be centrally managed there.

On top of this: shrunk budgets will be more likely in future. The present volume of total 860 Bio Euro is 0.9 percent of EU- GNP in 2009. If the current ratio of 1,05 % remains a target, this would give a least a wider room to manoeuvre.

But: Member States will have an eye on return of their contributions. This gives traditionally room for Agriculture and Cohesion Policy.

According to De Michelis, „the basic logic of the paper won't change anymore – **the status quo is no longer feasible!**“.

The new Regio Commissioner, Mr. Samecki, is due to come out with an own paper by the end of the year. Expected are similarities to the „reflection paper“ which was issued by the former Regio Commissioner, Mrs. Huebner, on 22nd April 2009. This paper points basically to the continuation of current Cohesion Policy and the strengthening of Lisbon Competitiveness goals. Additional Territorial Cohesion should be established, esp. cross – border cooperation like in the Macro Regions with clear European added value.

Herewith **three scenarios** are thinkable:

- **Scenario one:** Maintaining status quo of Cohesion Policy with a stronger link to Lisbon goals and Territorial Cohesion. (reflection paper without radical changes)
- **Scenario two:** The place-based strategy of the Barca-report, with clear and negotiable targets for the regions and contracts. Fewer fields of Cohesion Policy would be addressed. Regio Policy should get a high-level-control institution. Better ex-post evaluation by negotiated targets. Lies in line with the OECD report from begin 2009 (compromise position that aims at a better „How“ and a better management of regional EU policy)

- **Scenario three:** Sectoral approach , clear break with status quo; regions do not play a role anymore in EU funding. Cohesion money only for the poorest. ( radical break with current Cohesion Policy; scene outlayed in the budget review paper; )

### **What is in for Metropolitan Regions ?**

A look on the current funding streams raises questions of the right reflection of the URBAN DIMENSION. Unlike the well represented rural dimension the urban questions did not gain ground by mainstreaming them into the bigger funding strands like exercised in the 2007 – 2013 period.  
On top: Metropolitan Regions do not fit into the EU NUTS nomenclatura. They are dynamic concepts of functional areas.

According to Mr. De Michelis it is likely that there could be a future „**Ad Hoc-Instrument**“ to treat **territorial and metropolitan matters; this should allow flexible programming of funds for the Territorial Cohesion issue like :**

- Urban matters ( Too narrow scope if only „revitalization, „retro.fitting „ in town quarters)
- Urban-rural questions
- Metropolitan questions
- Peri-urban matters
- Cross-Border matters ( „ a clear EU case“ without programmed fights with the Member States)

De Michelis recommends a „**Top-Down Paper that allows flexible programming of funds for different groupings**“. In this sense the Commission will be open for a METREX paper.  
**The sectoral – scenario does allow and should integrate territorial questions. At least : The new Territorial Cohesion goal in the Lisbon Treaty has to receive operational interventions.**

**Without chances** on realization will be:

- An own Operational Programme for Metropolitan Regions
  - A mandatory axis for Metropolitan Regions in the Regional Operational Programmes
  - A fight between Member State and the Commission on national institutional matters
  - DG Regio does not tend to dismiss the the own NUTS nomenclatura
  - A EU wide definition of functional areas
  - Doubtful: An own EU strategy for Metropolitan Regions – too many would be excluded.
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The METREX antennae will issue a first draft paper soon.

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