

**North Sea Commission General Assembly 2004**  
**- speech for Phil Raines**

**North Sea Cooperation – A contributor to Regional Development**

I welcome the opportunity to be here today representing the Scottish Executive. Lewis Macdonald has asked me to pass on his sincere apologies that he was unable to speak to you today – unfortunately he has urgent business back in Edinburgh which has prevented him coming here.

And I'm pleased that so many Scottish local authorities are members of the North Sea Commission – and indeed that so many are represented here today. This highlights the strong role Scotland and Scottish partners are playing in joint working with European regions.

I'd like to talk this morning about some of the good work being carried out under the Interreg North Sea Programme and the importance for us of developing close working relationships with other regions. And I'd like to look ahead – post 2006 - at how we can build on the successes we have achieved so far.

**Scottish experience**

Scotland has enjoyed devolution within the United Kingdom for nearly 5 years now. Even before the setting up of our modern Scottish Parliament, we enjoyed our own distinctive national identity, for example in our system of law and our education system as well as our history and culture. We have been aware for a long time of the importance of regional policy for the promotion of territorial development. Scotland's devolved government has significant responsibilities for economic development, as well as responsibility for the implementation of the Structural Funds Programmes.

Devolution has allowed Scotland to address our distinctive problems. Scotland, like many of the regions represented here today, is geographically on the periphery of Europe – and risks becoming even more peripheral now that we are part of an EU of 25 Member States and the geographic centre of Europe has moved East. The challenges faced by peripheral regions will of course continue to exist and need to be tackled.

To ensure Scotland is not left behind, we need to continue to promote regional policy – whether funded domestically or through the EU - as well as make the most of the opportunity of enlargement by promoting links with other regions. It can only be beneficial to work with partners across Europe to share ideas about tackling common issues and the challenges facing our communities.

And while our population may be small, like others in the North Sea region, we have distinctive regions with particular challenges to face:

- We have regions in the central belt of Scotland tackling industrial and urban decline.

- Meanwhile the Highlands and Islands and the South of Scotland face problems of remoteness from markets and inaccessibility - particularly in the islands and mountainous areas.
- And other rural areas face a process of adjustment to changes in agriculture and sea fishing.

One of the most effective instruments in delivering regional policy has been the Structural Funds. They have brought particular benefits to our regions and supported successful and effective regional policy in Scotland.

Scotland has benefited from the Structural Funds for over 25 years now. One of the key benefits of the Funds has been how they have supported our efforts to establish long-term links with regions that share many of our challenges, not least our long standing commitment to participation in the North Sea Programme.

As part of his job, the Minister has been lucky enough to visit many good projects which have received Structural Funds support over the years.

The North Sea Programme itself has been instrumental in enabling a number of excellent projects led by Scottish partners:

- For example, Aberdeenshire Council and some 25 partners are working to promote sustainable tourism by developing footpaths along the North Sea coast. This will eventually form a long-distance North Sea trail.
- There are also a number of new projects for which we have high hopes. Waterfront Communities is a good example of an ambitious project which aims to promote innovative redevelopment in urban waterfront areas. This work is being led by Edinburgh City Council and I'm pleased to hear that Göteborg City Council is also involved.

### External Links

At the same time, the Scottish Executive has been working closely in partnership with Sweden, Norway, Denmark and other Nordic countries to implement our Nordic Scottish Action Plan. We want to continue to work together with the Nordic countries and the regions along the North Sea to tackle challenges which are common to many of our regions.

Scotland has a strong track-record of working in partnership with other countries and regions. We are continuing to do this, playing an active role in the North Sea Commission's parent body – the Conference of Peripheral and Maritime Regions – as well as, for example, in the Committee of the Regions.

And, as an outward-looking nation, we are also keen to develop and expand our regional policy cooperation with the new Member States. For example, Scotland has much in common with the Baltic countries, particularly our need to share good practice on how to deal with peripherality and ensuring our collective voice is heard more centrally in Europe.

We believe that all the initiatives we have been pursuing are succeeding in raising the profile of peripheral nations and regions like Scotland in Europe, and the world, and ensuring that we are taken seriously when issues of importance to the regions of Europe are discussed.

Over 50 governments now have consular representations in Scotland – an impressive number for such a small country.

And in November 2003, our First Minister, Jack McConnell, was proud to take up the Chair of REGLEG, the Group of Regions with Legislative Powers.

Scotland and REGLEG have worked hard to increase the involvement of the regions in European decision-making. We strongly support the references to the role of the regions and to subsidiarity in the draft Constitution the Intergovernmental Conference is considering today. Assuming agreement is reached on the Treaty, we will work to make a reality of the new subsidiarity mechanism to ensure that regional government plays its full part in developing legislation that makes sense at the local and regional level.

Under the Scottish Presidency, REGLEG will also continue to press for direct pre-legislative consultation with the regions that transpose and implement EU legislation, so that any problems can be ironed out at the earliest stage in the decision-making process.

We all have a strong interest in ensuring that a strong regional voice is heard in Europe. The devolution of power is one of the ways in which decisions of both central government and the EU can be brought closer to the daily lives of the people they represent.

This approach will give us more effective legislation and will do more than just deliver more effectively the policy benefits we all get from membership of the EU. It will also help demonstrate those benefits to EU citizens – and this is something I'll say more about in a minute.

### Future of the Funds – Territorial Cooperation

We're all of course thinking to the future and I'd like to outline a few of our key principles for future cooperation. We need to ensure that we can build on successes like those I mentioned in the North Sea Programme in developing future cooperation.

### Added Value

So I'm pleased that the European Commission has placed such a strong emphasis on a separate territorial cooperation strand in its proposals in the Third Cohesion Report. The UK recognises that cooperation between regions is one of the areas where the Structural Funds have and can continue to demonstrate genuine added value.

And in Scotland, in our consideration last year of key principles for future regional policy, our Forum of key Structural Funds partners agreed that further inter-regional and transnational cooperation should be encouraged.

This will be even more the case in the future as enlargement has brought us a more diverse Europe facing many new challenges. It has brought new Member States – growing and developing rapidly - who are keen to learn from the experiences of others. The role of cooperation Programmes in sharing good practice will therefore be an important one.

We do of course need to take stock of how the current Programmes are progressing and discuss where future priorities lie to ensure that European taxpayers receive good value for money from any future Programmes.

The recent European elections have shown increasing support for Eurosceptic parties in the UK – and low voter turnout across Member States. In this context, as I've already mentioned, it is vital that we demonstrate to our citizens that EU membership is bringing benefits to their region.

It needs to be clearer that EU funding is delivering and funding tangible projects that bring visible benefits in their cities, towns, villages and regions. Projects should be seen not to be just about holding meetings and talking – although we all know that this is a vital part of any cooperation project. We need to see projects delivering changes on the ground as well.

We in the Scottish Executive welcome the suggestion from the Commission that Member States should nominate areas to participate in future transnational Programmes. This will allow us to take into account performance of the current Programmes and consider the way forward.

We would however want to see flexibility in determining areas for both cross-border and transnational cooperation. Our immediate neighbours are not the only ones who we share common challenges with.

For example, as I've already noted, Scotland is geographically on the periphery of Europe – our only land border is with England and we are a long distance by sea from any other Member State. But we have formed fruitful alliances with many regions who are not necessarily our immediate neighbours: including formal links with Catalonia, North Rhine-Westphalia, Bavaria and Tuscany (and in that context I'm delighted that the President of Toscana is here today).

We have also been working closely with partners here in Västra Götaland on promoting sustainable development and environment issues.

So we would not wish transnational and cross-border Programmes to be confined to their existing geographical scope. We may want to extend – for example eastwards – to bring in new Member States to share their different approaches with us.

### Simplification

In addition, I would like to welcome the Commission's commitment to simplification. We are keen to ensure greater flexibility for Managing Authorities and partners in how Programmes are developed and implemented.

Such flexibility is key to reflect Programme realities. For example, in the case of the N+2 rule, the Scottish Executive of course is a strong supporter of moves to ensure sound financial management of the Structural Funds. At the same time, partnership working, cooperation and competition for Funds are all recognised good practice in delivering Programmes, but they all mean results – and more specifically spending – takes time.

We would rather see projects which take time to get off the ground, but deliver long-term sustainable benefits for their regions. I hope you'll agree this is better than a 'dash for cash', which could mean that Funds are given not to the best projects, but to those which can spend money quickly. This is why we are looking for a more flexible application of N+2.

We also welcome the Commission's proposals to reduce the audit burden, while still ensuring a robust framework of checks is in place. We therefore hope that the rigorous internal verification procedures which many Managing Authority organisations already have in place will be fully recognised.

### Conclusions

I'd like to conclude by leaving you with a few key messages:

Firstly, our support for the North Sea Programme and for continuing effective transnational cooperation. It is both fair and inevitable that the Structural Funds should be concentrated on the poorest Member States after 2006 – especially the new Member States. As a result, Programmes like this one will become even more important as a source of EU funding for regions in the long-standing Member States of Northern Europe. And with this more important role, we need to ensure greater value for money in terms of outcomes from all future cooperation Programmes.

Secondly, the importance of developing closer working relationships with regions across Europe. All our activities on this front – along with the clear commitment from our First Minister - have made sure that Scotland does have a voice in Europe well beyond what might be expected from a small country of 5 million people. Cooperation is central to this – when you're at the edge of things, sometimes you can get your voice better heard by speaking collectively.

**I hope today's conference will lead to further fruitful collaboration. And I look forward to Scotland continuing to promote the interests of the North Sea regions - at events like today's conference, and through our involvement with CPMR.**