Territorial cohesion: unleashing the territorial potential
"Territorial cohesion: unleashing the territorial potential"

Background Document to the Conference on
Cohesion Policy and Territorial Development: Make Use of the Territorial Potential!

10-11 December 2009, Kiruna, Sweden
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1. **Introduction: Understanding and Fostering Territorial Cohesion**

The European Union (EU) has an incredibly rich territorial diversity. Territorial cohesion is about ensuring a balanced development of all these places and about making sure that our citizens are able to make the most of inherent features of their territories – to transform diversity into an asset that contributes to sustainable development of the entire EU.

The Lisbon Treaty states that the EU shall promote economic, social and territorial cohesion, and solidarity among Member States. With the 2008 Green Paper on Territorial Cohesion, the Commission launched a public debate around the different dimensions of territorial cohesion.

Almost 400 contributions were received in response to the consultation, providing 'food for thought' on how to improve present practices and develop new policy options. The debate has continued, both within and outside the Commission, with four main areas standing out as most relevant for fostering territorial cohesion:

- Cooperation between territories for bolstering European integration (chapter 2);
- Fostering liveable urban and rural communities and strengthening "territorial programming" in cohesion policy (chapter 3);
- Coordination of policies to achieve greater policy coherence (chapter 4);
- Analysis and data collection for evidence-based policy making (chapter 5).

The aim of the present paper is to take stock of where we stand today in the debate launched by the Green Paper, and of what has emerged as the key aspects of territorial cohesion. This paper does not present the Commission's view on the future of the policy but rather summarises the reflections of all stakeholders involved in the debate. In this way it also provides a basis for the discussion on the future cohesion policy.

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1 The present background document is a contribution from the Directorate-General for Regional Policy to the Conference on Cohesion Policy and Territorial Development: Make Use of the Territorial Potential! organised in Kiruna, December 10-11, 2009 by the Swedish EU presidency. It is intended as an input to the workshop on Territorial potentials for European regions and tools for further development.

2 Treaty of Lisbon amending the Treaty on European Union and the Treaty establishing the European Community, signed at Lisbon, 13 December 2007


4 E.g., its definition; the scale and scope of territorial action; cooperation; coordination; territorial partnerships; as well as monitoring and indicators of trends in relation to territorial cohesion.

5 A summary of the contributions has been published by the Commission within the 6th progress report on cohesion, COM (2009) 295, June 2009.
2. **TERRITORIAL COOPERATION FOR FURTHER EUROPEAN INTEGRATION**

This chapter addresses three specific strands of cooperation, which are quite different from a territorial point of view:

1. **cross-border cooperation**, i.e., cooperation between neighbouring regions separated by national borders;

2. **transnational cooperation**, i.e., cooperation covering larger areas, such as the Baltic Sea, the Danube basin, the Alpine and Mediterranean regions;

3. **interregional cooperation**, i.e., cooperation between non-neighbouring regional and local bodies in different countries.

It will also address two specific items raised by the consultation:

4. **cooperation across the EU’s external borders**;

5. **European Grouping of Territorial Cooperation** (EGTC), a European legal instrument designed to facilitate and promote cross-border, transnational and interregional cooperation.

It will finally highlight some initial lessons which can be drawn from the Green Paper consultation.

### 2.1. Cross-border cooperation

Border regions represent 39.5% of the population of the EU 27. They can include both areas on a local scale (agglomerations, metropolises, and rural or protected natural areas) and on a wider level (Euro-regions along a land or maritime border between two countries).

As with territorial development within an individual country, there is a vertical division of competences between these different levels. The local level is appropriate for integrated delivery of services to the population and businesses within functional areas (for instance in cross-border agglomerations to deal with daily mobility). The regional level covers coordination between regions and countries along their shared border (for instance for economic development, research, planning of large-scale infrastructure developments).

The Lisbon Treaty mentions "cross-border regions" as having "a severe and permanent handicap". Indeed, cross-border territories often face several difficulties due to geographical obstacles, such as mountain or rivers, and also barriers due to language,

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6 This chapter summarises the contributions to the Green paper consultation. With a specific question devoted to it in the Green Paper, cooperation was thoroughly debated in the consultation. In addition, a seminar on "Territorial cooperation and territorial cohesion" was organised by the Commission on 25 September 2009 in Brussels to take stock of the contributions in this field. The discussion involved national experts and other stakeholders, among which about 20 emanated directly from cross border regions, transnational entities or European networks. See [http://ec.europa.eu/regional_policy/conferences/territorial/index_en.cfm](http://ec.europa.eu/regional_policy/conferences/territorial/index_en.cfm). Contributions can be found on: [http://ec.europa.eu/regional_policy/consultation/terco/index_en.htm](http://ec.europa.eu/regional_policy/consultation/terco/index_en.htm)

culture, etc, that need to be surpassed by cross-border information, education and training. Non-harmonised legislation (labour, taxes, etc) and indeed even European legislation may be implemented differently across borders. This hampers the mobility of labour and services. EU sectoral policies (e.g., Services of general interest, Natura 2000, competition, TEN-T, CAP) are not always appropriate for the specific context of the cross-border regions.

However stakeholders also consider that cross border regions hold "the biggest untapped territorial potential", are “trailblazers of European integration, model areas for territorial cohesion and “a place of convergence of policies”, in which “experimenting a new European citizenship model” may take place.8

To tackle the challenges and fully exploit the territorial potential, horizontal coordination of sectoral policies is required, as well as an integrated approach through the development of cross-border spatial development strategies. This does not necessarily imply a change of competences, but may also be done through networking of existing relevant players. In addition to horizontal coordination, there is also need for vertical coordination as asymmetrical competences across borders often hamper cooperation. More robust indicators also need to be developed to capture cross-border issues more succinctly (see chapter 5).

The governance of cross-border regions should involve all regional and local, public and private actors, on both sides of the border. Networking must be further developed, involving private sector interests (often forgotten in programme partnerships), civil society, universities and public service bodies. The role of the citizens and elected representatives is of primary importance; involvement by the general public can be encouraged through citizen forums, people-to-people or cultural projects.

There is a strong consensus about the need for increased European support for cross-border cooperation through a separate cross border strand, which could also include provisions for experimentation in cross-border pilot areas.9 An overall allocation by programme, rather than by Member State, is proposed. A multi-annual strategic programming approach is favoured, although many respondents consider that the quality of programmes could be improved. The issue of financing of technical assistance – at both a project and programme level - to facilitate transfers of experience, training, and networking at European level, is also raised.

Beyond the overall consensus on these matters, some issues require further discussion. The delimitation of areas eligible for funding is still questioned (NUTS 2 or NUTS 3 for land borders? limit of 150 km for the maritime borders?). Several options have also been proposed to shape the implementation of cross-border programmes and territories such as: sub programmes; global grants; Integrated Territorial Projects10, etc.

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8 Analytical work carried out by DG REGIO and the interventions of cohesion policy over a long period suggest that these regions are far from being a homogeneous group, with big disparities, not least between cross-border regions in the old and in the new Member States.

9 The emerging findings from the ex-post evaluation of INTERREG points to mixed results in terms of impacts, and the lessons to be drawn need to be fed into this debate.10 Integrated Territorial Projects implemented within Italian ERDF programmes, incorporating cross-border OPs.
2.2. Transnational cooperation

Transnational cooperation allows for the development of global integration zones through horizontal and vertical coordination on the scale of macro regions, such as maritime and river basins.\textsuperscript{11} The EU Strategy for the Baltic Sea Region\textsuperscript{12} is a prime example of this particular aspect of territorial cohesion. Transnational cooperation areas may also present themselves as functional regions going beyond shared geographical features; for instance, the Alpine space covers an area wider than the mountains.

In the transnational context, national legislation along borders needs to be coordinated (just as for cross border cooperation). Many see transnational areas as an intermediate scale which allow regional, national and European levels to: reach a common understanding of the impact of European policies (TEN T, motorways of the sea; state aids; maritime safety; environment; energy; CAP; competition); define strategies covering sectoral and territorial policies, and; integrate various governance levels. In this respect, the EU Baltic Sea Strategy can be regarded as a test case. More robust indicators are, however, a key requirement to underpin this development.

In some cases, greater synergy between transnational programmes and existing macro-regional cooperation platforms such as intergovernmental conferences is required. But many claim that changes in transnational areas should be limited and based on evidence.

The need to better involve local authorities has also been pointed out, as has the role of cities as engines of the macro-regions. Private bodies and SMEs also need to be involved, to facilitate effective public-private partnerships.

According to many, macro-regions should be supported by the future EU cooperation policy, allowing regions to combine their potential for a more harmonious development. However, a macro-regional approach is not feasible in every case, and some degree of flexibility is desired in relation to thematic and geographic cooperation. Regarding funding for transnational cooperation, it is an open question whether new funding is required, or whether strategies should be aligned for a more coordinated use of existing funding, as is the case for the EU Baltic Sea Strategy.

2.3. Inter-regional cooperation

Three out of four European networks financed by European territorial cooperation responded to the consultation even though inter-regional cooperation was not specifically addressed by the Green Paper. Many contributions underlined that it is necessary to strengthen this form of cooperation as an instrument of territorial cohesion, to allow non adjacent regions with similar objectives to exchange experience, less affluent territories to access to innovation networks, and all regions to benchmark themselves.

Many would like to see interregional cooperation better adapted to the needs of local and regional authorities, with a thematic scope widened to include territorial, social and policy innovation.

\textsuperscript{11} According to sponsors of Europe 2000 +, Interreg 2 C and the European Spatial Development Perspective (ESDP), 1999.

Finally, several contributions recognised the important role of the inter-regional networks such as ESPON, Interreg 4C, Urbact and Interact in providing an increased awareness and level of knowledge of territorial development.

2.4. External borders

Cross-border cooperation impacts upon the role of external borders by allowing joint development on both sides of the border. For many, the cross-border European Neighbourhood and Partnership Instrument (ENPI/CBC) needs to be strengthened, and, in the view of some stakeholders, include a better coordination (or even integration) of EU internal and external cooperation. Cooperation between EU countries, and countries concerned with ENPI or IPA (Instrument for the Pre Accession Assistance) should be facilitated. A part of their budget could be allocated to interregional cooperation, and non-member states could be associated to network programmes.

The geographical isolation of the EU's outermost regions, which have access often only to limited local markets, is an impediment for their development. Therefore a central objective for development is to improve integration with both neighbouring areas and the EU. As platforms which can support the development of the EU's external actions, they are calling for either a specific instrument such as ENPI, or a better coordination between the ERDF and the European Development Fund (EDF). Lastly, the territories concerned have expressed a wish for the EU to support a regional governance system, including neighbouring states.

2.5. European Grouping of Territorial Cooperation (EGTC)

Many contributions regard the EGTC as an important tool for the multi level governance of programmes or projects. It promotes effective cooperation to cover a broad range of activities, brings people closer together, allows transfer of knowledge and exchange of good practices.

Some contributors expressed that it would be useful to hear of good examples of EGTCs in practice, to facilitate networking and provide support for their development, as well to train elected representatives and civil servants in the field of cross-border governance.

There have also been calls for an adaptation of the EGTC Regulation to enable one-to-one cooperation between partners of Member States and non-Member States, the delegation of public services to EGTC, as well as allowing the transfer of functions subject to national jurisdictions.

3. Fostering liveable urban and rural communities and strengthening "territorial programming" in cohesion policy

With the Green Paper consultation and through a series of seminars and roundtables, the Commission has organised an open discussion with stakeholders on integrated urban development, rural development and the issue of urban-rural linkages. These activities have enabled a broad discussion to take place which has been supplemented by an internal reflection on the role of integrated development at infra-regional scales in cohesion policy. This chapter summarises the on-going discussions.
3.1. A local development methodology for cohesion policy

Integrated development at the infra-regional scale is based on a 'bottom-up' methodology that is: strategic and multidimensional; based on local partnerships, and; where networking and capacity building are important building blocks. This methodology - hereafter referred to as the Local Development Methodology (LDM) - can be implemented through specific instruments for integrated local development particularly in sub-regional territories such as urban and rural areas but also in functional areas such as urban-rural territories or cross-border regions.

The LDM can be an effective tool in addressing issues related to social and economic development. It is possibly the only effective way to address questions related to social inclusion and the specific challenges facing inhabitants in disadvantaged (urban and rural) areas. The LDM can also be a tool to tackle global challenges (e.g., energy, climate change, globalisation etc.) at the local level.

Through its strategic and cross-sectoral character, the LDM can be an effective tool for fostering an integrated approach to development built on local partnerships between public, private and voluntary organisations. The effectiveness of structural policies can be substantially increased if the different characteristics of regions are better taken into account, and if relevant lower levels fully participate and complement national measures with local ones. By being close to citizens, LDM helps to tailor actions to local needs and adds a local dimension to national policies. It can spur entrepreneurship and innovation by encouraging initiative and promoting participation, ownership and empowerment of local actors.

However, contrary to the EAFRD and the EFF, both of which have made it a requirement to mainstream local development during the 2007-2013 period, the LDM is not compulsory in cohesion policy. No detailed provisions are included in its legal basis on the principles of the methodology or issues such as funding, administration and delivery mechanisms.

So far, no systematic analysis has been done on the uptake of the LDM in operational programmes in all types of territories across the EU and more time is needed to provide a complete picture of what has worked and what has worked less well in LDM terms, although work has been initiated in this direction.

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13 The URBAN and LEADER Community Initiatives are examples of such instruments.
14 During the 2007-2013 period, one of the Czech regional operational programmes provides support for integrated territorial development at sub-regional level based on integrated plans for territorial development. A similar approach is followed within the Italian integrated territorial projects (ITPs).
15 European Agricultural Fund for Rural Development
16 European Fisheries Fund.
17 However, examples of LDM approaches in non-urban settings exist such as the Czech integrated territorial development, the Italian ITPs (footnote 1), the 'Pays' in France and the CED (Community Economic Development) in the UK.
18 The Commission has launched a study (including two stakeholder seminars scheduled on 20th January and 18th March 2010) on integrated local development addressing the question whether, based on past experience, local development processes should have a more prominent role to play in the future cohesion policy, and if so, how? The final report is expected by April 2010. A study of the impact and results of the Urban Community Initiative is also under way.
3.2. Integrated Urban Development within Cohesion Policy

Following the LDM approach, integrated urban development can be said to coordinate different sectoral policies on the ground. Promoted within EU regional policy for the last 20 years, it is closely linked to the regeneration of deprived urban neighbourhoods. The URBAN Community Initiative has provided an experimental, but potentially highly effective framework to develop and implement solutions for such areas during the 1994-1999 and 2000-2006 programming periods.

Contrary to the previous programming periods, the current legal basis for integrated urban development in cohesion policy is based on provisions in the ERDF Regulation and in the General Regulation. There is potentially a larger share of budget available than previously, as funding is no longer limited to the URBAN Community Initiative (€ 727 Mio. in 2000-2006 or 0.4 % of the Structural Funds budget). In addition, the introduction of JESSICA instrument which – by regulatory definition – requires the creation of integrated urban development plans and expands the financial capacities for urban development can be seen as a further strengthening of the integrated approach to urban development. However, as it is based on revenue generation, the role of this revolving instrument in supporting regeneration of deprived neighbourhoods has its limits.

A reflection has been initiated on the strengths and weaknesses of the current system. A recent Commission Working Document concluded that although more than half of operational programmes include an explicit urban dimension, the possibility to sub-delegate the implementation and administration to the local level has been taken up in very few cases.

There is also a lack of consistency on what is meant by "integrated urban development". Projects in urban areas are sometimes automatically understood as being part of "integrated urban development", even though they are not connected. They show a strong tendency towards sectoral investment, in particular in new Member States and the necessary capacity building and guidance is foreseen in only a few cases, mostly in EU-15.

Moreover, Managing Authorities may not want to support more complex and resource-consuming integrated operations following the LDM-approach if easier ways to spend the funds exist. Technical Assistance is seldom available, which could be beneficial to support the management and design of integrated actions in cities. Also, the local level has, only to a limited extent, been involved in the design, implementation and monitoring of operational programmes.

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20 A Seminar "Building on 20 years of community support for urban development" (planned on 4th February 2010) will allow to take stock on successful achievements, and discuss policy options for the future of EU support to integrated urban development.

21 Commission Working Document "Fostering the urban dimension: Analysis of the Operational Programmes co-financed by the European Regional Development Fund (2007-2013)".
3.3. Cohesion policy support for the development of rural areas

Cohesion policy does not explicitly target rural areas, but it plays an important role for their development. The key fields of intervention of cohesion policy in rural areas concern the development of economic activities and employment in the wider rural economy, e.g., ensuring a minimum access to services of general interest - particularly transport infrastructures and ICT networks - supporting environmental infrastructures and services, renewable energy, developing the endogenous capacity and economic diversification of rural areas (including tourism).

At the end of 2008, one quarter of the commitments from Structural Funds with territorial specification was dedicated to rural areas, which compares to the budget of the second Pillar of CAP for the same period. However, regarding wider rural development outside of the agricultural sector, CAP support is less than one quarter of the allocation spent by cohesion policy.

But the absence of a clear target of cohesion policy in rural areas leads to a lack of visibility for ERDF interventions. A key question is therefore whether the ERDF should continue to target only "weak areas" in general or whether it should play a more specific role in rural development.

The issue is not new. In the Commission proposal for the ERDF regulation (2007-2013 period), a specific article called "rural areas and areas dependent on fisheries" targeted five kinds of interventions: infrastructures, telecommunication networks and services, new economic activities, links between urban and rural areas, tourism and rural amenities. However, this article was withdrawn during the negotiations at Council level.

Specific measures targeted at rural areas could be seen as contradictory to the territorially integrated approach promoted by cohesion policy. More important would to develop a more strategic approach to rural development adapted to the socio-economic characteristics and the territorial functionality of rural areas. The widely used OECD definition of rural areas based on population density is however insufficient to reflect the socio-economic reality and diversity of EU rural areas. In addition, each Member State has its own definition and particular perception of the key challenges for rural areas.

To agree on a common EU definition of rural areas is very difficult. One possible way forward could be MS common framework criteria to ensure more strategic planning and efficient monitoring and evaluation of cohesion policy interventions in rural areas.

There is broad consensus on the need for a better coordination of the different funds and policies contributing to regional and rural development at all levels. Another key question is therefore how to achieve better complementarity and synergy between rural development and cohesion policies.

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22 As demonstrated by the ex-post evaluation on rural development and by national studies. In addition, the issue of how cohesion policy supports rural areas was the subject of a stakeholder seminar organized by the Commission in October 2009.

23 An estimated €85 Bn of the Structural Funds is dedicated to rural areas in the current period. This compares to the €91 Bn budget of the second Pillar of CAP for the same period. For wider rural development outside of the agricultural sector (Axis 3 and Axis 4 of EARDF), the CAP support is only €17 Bn (19 % of the EAFRD budget).
As regards the current system, only in some cases a more strategic vision for a coordinated use of EU funds has been chosen by Member States. Difficulties in coordinating the various funds (ERDF, ESF, cohesion funds and EAFRD) are reported by many Member States. There is a lack of synergy between these funds and sometimes competition between them. A comprehensive strategic approach through, for example, the preparation of a Single Strategic Framework, to be followed as regards the use of EU and national funds at all levels could be the way forward to achieve a more efficient use of EU funds.

For the current programming period (2007-2013), authorities responsible for the programmes co-financed from ERDF and EAFRD have elaborated quite detailed demarcation criteria dividing the responsibilities between the funds. The experience from the application on the ground of those criteria shows however that there is scope for improvement, with a need to widen dissemination of the agreed demarcation criteria and to develop the guidelines for the beneficiaries of EU funds.

3.4. Urban-rural linkages

The Structural Funds support rural as well as urban development. However, until now the linkages between urban and rural areas have not been specifically addressed by cohesion policy. Exploiting the potential which could be mobilised through innovative partnership between urban and rural areas could contribute significantly to territorial cohesion. A cornerstone of such approach is the principle of integrated and cross-sectoral development, i.e., the LDM approach.

The current discussion often refers to functional urban zones in which the linkages between urban and rural areas are implicit. A further reflection on how to address urban-rural linkages within cohesion policy needs to take into account stakeholder opinions.24

As an entry-point to the debate, the issue of how to develop urban-rural relations is to a great extent dependent on the diversity of contexts. One dividing line is between old and new Member States, where the difference between urban and rural areas in quality of life and in financial and human capital is much more pronounced in new Member States, and where often there is very limited experience of cooperation between the two.

Another distinction is the one between Member States with very many local authorities - and where urban-rural cooperation is about finding ways for local administrations to start working together at the level of functional areas – and Member States with fewer local authorities where the issue of urban-rural linkages is more about coordinating stakeholders and public agencies within a given administrative area.

Very few stakeholders call for a funding instrument specifically targeting the urban-rural space. However, the main challenge raised is how to better coordinate existing funding mechanisms at all levels (EU, national, regional, local). The debates so far indicate that we need to move away from a strict focus on administrative areas as stakeholders ask for a stronger focus on functional areas. One possibility could be to focus on thematic priorities at the level of functional areas and to set up policy development networks to assist urban-rural partnerships.

24 That is why during 2008-2009 DG REGIO launched a debate on urban-rural linkages through 3 seminars, each one devoted to a specific aspect of the urban-rural dimension. The themes covered were competitiveness, sustainable development and social cohesion.
The methods used for implementing urban-rural cooperation are key in determining the outcome. Some stakeholders refer to power relations and argue that the reality of voting systems often means that political power resides in urban areas and that this may present a major difficulty in promoting new mechanisms to redress current imbalances in funding. However, the successful cooperation between urban and rural actors depends on the provisions and institutional framework of individual Member States. Providing a forum allowing small rural municipalities to take part in the decision-making process together with big cities may be a way to redress the current imbalances.

4. Coordination and Integration of Community Policies for Achieving Greater Policy Coherence

The coordination of policies with territorial impact is a major challenge. As previous chapters have already demonstrated, in most of the cases it concerns all territorial levels – from the local and regional, to the national and the EU level. Already the Member State responses to the Questionnaire on territorial cohesion in the preparation phase of the Green Paper showed the importance of the issue and indicated some good practices of cross-sectoral coordination mechanisms at and below MS level. Yet, the Green Paper and the consultation that followed put more emphasis on the European level. Thus this chapter concerns mainly action at the European level.

4.1. Better territorial coordination of policies

The Green Paper highlighted the need for more coordination between sectoral and territorial policies to maximise synergies and to avoid possible conflicts. In the course of the consultation this need became clearly one of the main common denominators regarding the practical consequences of the territorial cohesion concept. The near 400 responses in the Green Paper consultation are almost unanimous in demanding stronger coordination of European policies with territorial dimensions and impacts. Consequently there is also an obvious need to better analyse and understand territorial impacts of policies (ex ante and not only ex post – "looking at the map before implementing policies"). This concerns both spending and regulatory policies.

The Green Paper itself listed some sectoral policies with territorial impact, such as transport, ICT, agriculture, employment, maritime, environment, research and competition, which were acknowledged in the course of the consultation with the addition of energy policy.

In more concrete terms, stakeholders expressed concerns regarding the coherence between funding instruments, as for example between Cohesion Policy, Rural development, TEN-T and Neighbourhood Policy (see table 1). Some – such as European Economic and Social Council – called for improved integration and more simplified procedures to allow for more synergies. A more pronounced territorial dimension in the Lisbon and Gothenburg Strategies has been suggested, and some contributions would also propose the General Affairs Council as a forum for integrating territorial cohesion.

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26 It is however clear that lower governance levels play an important role, which will be explored in the 3rd Green Paper follow up seminar on cross sectoral coordination, planned for June 2010.
aspects into other EU policies. Even the return to the pluri-fund approach was being mentioned.

Yet, quite importantly, the European Parliament warned that improving coordination and synergies between EU policies with strong territorial dimensions and impacts does not imply the subordination of one policy to another.

### Table 1. Coordination of policies as a central element of territorial cohesion – key players' opinions

<table>
<thead>
<tr>
<th>Coordination of policies as a central element of territorial cohesion</th>
<th>Better coordinated/integrated funds/policies, e.g. Cohesion Policy and…</th>
<th>More institutional coordination</th>
<th>Stronger Council formation</th>
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<tbody>
<tr>
<td>Rural development</td>
<td>Neighbourhood Policy</td>
<td>Transport/ TEN-T</td>
<td></td>
</tr>
<tr>
<td>FR RO UK HU AT ES PT SI BG SE CZ LU LV EL PL BL DK DE (federal)</td>
<td>HU IT PT SF CZ FR (implicit); FR MT PT IT (in DG Regio) EE + HU (general)</td>
<td>UK FR (impl), EE (general)</td>
<td>HU; FR SK IT LU LV</td>
</tr>
<tr>
<td>IT – plurifund</td>
<td>DE (Länder), CY + BG (implicit)</td>
<td>CoR</td>
<td>EP</td>
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<tr>
<td>CY – Joint calls for sectoral and territorial programs</td>
<td>CoR</td>
<td>CoR</td>
<td>EESC (OMC)</td>
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<td>EP EESC</td>
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<td>22</td>
<td>9</td>
<td>10</td>
<td>4</td>
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### 4.2. Better knowledge of territorial impacts of policies

Territorially consistent public policies pre-suppose a better knowledge of territorial impacts and therefore a need for a reinforced and shared evidence base. To maximise the positive impacts of different policies on specific territories and to minimise sometimes contradictory effects, a “Territorial Impact Assessment (TIA)” appears as a central policy option. Such a process could potentially build upon the methods developed under the ESPON programme both concerning ex-post and ex-ante impact evaluation. Yet, in general terms, the majority of the contributions and also experts in this field believe that achieving greater policy coherence does not require the creation of new instruments (for an overview of other options see table 2). More importantly, it would

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27 ESPON 2006 projects on Territorial Impact Assessment: TEQUILA model developed in the 3.2 study on scenarios; Policy impact projects on different policy fields (chapter 2); ESPON 2013 project on the Territorial Impact Assessment: TIPTAP - Territorial Impact Package for Transport and Agricultural Policies

28 See reference in footnote 2.
require improving the existing ones and the inclusion/reinforcement of the territorial dimension in the (economic, social, environmental) assessment of different policies.

### Table 2. Better account of territorial impacts of policies – key players' opinions

<table>
<thead>
<tr>
<th>Better account of territorial impacts of policies</th>
<th>Tools for territorial impact assessment</th>
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<tbody>
<tr>
<td>Formal tools</td>
<td>Update existing impact assessments</td>
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<tr>
<td>European territorial visions, orientations, strategies</td>
<td>Role of maps</td>
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<td>Role of maps</td>
<td>Spatial planning</td>
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<tr>
<td>European territorial visions or NTCCP</td>
<td>Territorial Agenda or NTCCP</td>
</tr>
<tr>
<td>ESPON</td>
<td>Monitoring indicators</td>
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<tr>
<td>Other</td>
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</tbody>
</table>

| FR RO MT EL BE PT SI EE PL SK DK SE NL LV BG DE (Länder) ES CY- in the whole policy cycle!! HU (budgetary+ regulatory) EP EESC |
|---------------------------------------------------------------|---------------------------------------------------------------|
| HU LV ES RO CZ (CP central role) AT MT SI PL FR LU EP | AT HU PL BE LU SK CY LV ES EESC HU MT EE HU RO SF CoR |
|                                                            | CY SE UK                                                    |
|                                                            | LVBG ES LU BE SE UK DE (Länder) AT (but not only indicators) |
|                                                            | LV NL LT HU UK                                             |

The Strategic Environmental Assessment (SEA) procedure and the impact assessment (IA) procedure can serve as examples at EU level. Already today there are elements with clear territorial relevance in the general impact assessment guidelines.
Table 3. Examples of territorial elements to be considered in the Commission ex-ante impact assessments

<table>
<thead>
<tr>
<th>IMPACTS</th>
<th>KEY QUESTIONS</th>
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<tbody>
<tr>
<td><strong>ECONOMIC:</strong></td>
<td></td>
</tr>
<tr>
<td>Specific regions or sectors</td>
<td>- Will it have a specific impact on certain regions, for instance in terms of jobs created or lost?</td>
</tr>
<tr>
<td></td>
<td>- Is there a single Member State, region or sector which is disproportionately affected (so-called “outlier” impact)?</td>
</tr>
<tr>
<td><strong>SOCIAL:</strong></td>
<td></td>
</tr>
<tr>
<td>Social inclusion</td>
<td>- Does it affect equal access to services and goods?</td>
</tr>
<tr>
<td></td>
<td>- Does it affect access to placement services or to services of general economic interest?</td>
</tr>
<tr>
<td></td>
<td>- Does the option affect specific … localities more than others?</td>
</tr>
<tr>
<td><strong>ENVIRONMENTAL:</strong></td>
<td></td>
</tr>
<tr>
<td>Land use</td>
<td>- Does the option have the effect of bringing new areas of land (‘greenfields’) into use for the first time?</td>
</tr>
<tr>
<td></td>
<td>- Does it affect land designated as sensitive for ecological reasons? Does it lead to a change in land use (for example, the divide between rural and urban, or change in type of agriculture)?</td>
</tr>
</tbody>
</table>

The EU level has limitations in the possible depth of impact assessments, as it will never have the same capacity for detailed analysis at MS level as the MS themselves. Furthermore, the concrete impact of EU legislation is dependent of the actual transposition by the MS.

Figure 1. EU investments and restrictions in the Netherlands indicating conflicting objectives of different EU policies


4.3. Preparing macro-regional strategies – EU policies at one table

There seems to be a common European awareness about integrated strategic frameworks, which have the capacity to better include sectoral policies into area-based strategies. Besides existing evidence from integrated maritime policy and cohesion policy (integrated urban development, national strategic reference frameworks), the recently adopted EU Strategy for the Baltic Sea Region shows that strategic coordination – encompassing various European level policies – is possible at macro-space level. Although still in its initial phase, it has been so far a very promising ‘learning by doing’ process with a strong bottom-up nature and stakeholder involvement. The Commission has played the role of the facilitator and ensured coordination between its different policy areas.

The positive example of the Baltic Sea Strategy raises the expectations in other European macro-regions as well. The Council has already asked the Commission to present a strategy for the Danube area by the end of 2010.

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5. **Territorial Analysis and Data Collection for Evidence-Based Policy Making**

Good policy making depends on good information. The importance of developing the knowledge base on territorial development across the EU, whether specific observatories, or by consolidating existing resources was underlined in the responses to the Green Paper.

The European Commission is aware of the importance of these issues and is examining how to extend the scope of its regional and urban statistics, through a range of studies, data collections and surveys, such as DG REGIO's working paper on *Territories with specific geographic features*. ESPON\(^{32}\) plays a key role in this respect. It was set up to build a European scientific community in the field of territorial development which can support policy development by providing analysis of territorial trends. The main aim is to increase the general body of knowledge about territorial structures, trends and policy impacts.

### 5.1. Data capturing cross-border and transnational issues

Improved territorial knowledge is required to better understand cross-border territories and to design appropriate and adapted policies. There is an expressed need for indicators relating to accessibility, mobility, equipments and services, demography, labour markets, risks, governance, integration, etc.; as well as the development of monitoring and observation systems. The coordination of different data sources - not least national ones - with the help of Eurostat, ESPON, and the Urban Audit is also an important issue.

Transnational areas also require indicators to monitor macro regional changes. As an example, the EU Baltic Sea Strategy action plan comprises horizontal actions, including a "land based spatial planning" action, supporting monitoring of demographic and economic pressures on environmentally sensitive areas, necessary for the sustainable development of the region. It also includes a European Maritime Observation Data Network (EMODNET) action on the scale of the Baltic Sea basin.

### 5.2. The Urban Audit

Still in a more experimental development phase is the work on data, especially targeting urban areas. The focus of the remaining part of this chapter is therefore on urban data, and especially on three interlinked initiatives: the *Urban Audit*, the *State of European Cities report*, and the *European Urban Atlas*. Highlights from recent updates are presented to illustrate the usefulness of these tools.

Increasing attention has been paid to urban data over the past 10 years. Over this time, the *Urban Audit*\(^{33}\) has evolved to represent a unique and valuable tool, offering comparative data not just at municipal level but also extending to the larger urban zones. The *Urban Audit* covers more than 300 variables plus an equivalent number of derived indicators addressing 9 domains of life in cities, including; demography, economy and society, education, civic involvement, mobility and the environment. Highlights include:

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\(^{32}\) The European Spatial Planning Observation Network; [http://www.espon.eu](http://www.espon.eu)

• **Demography** – A number of European cities, particularly those in central and Eastern Europe, continue to experience a decline in their population. Of the 14 major cities examined in Romania, for instance, 13 saw their population decline compared to the national average, which had itself fallen between 1996 and 2004. This can be explained by both a phenomenon of outward migration and a shift of the population away from city centres towards the suburbs, driven by the desire for more living space and/or more affordable housing prices.

• **Social polarisation** – The disparities in unemployment rates between different districts of a single city are often greater than between the cities and regions of the European Union themselves. Though intra-city data are only available for a limited number of cities in Europe, the examples of Hamburg, Athens and Bratislava can be pointed out as cities with very high levels of unemployment in certain clearly defined neighbourhoods.

• **Environment** – The *Urban Audit* has collected a wealth of new data on the environment. It shows, for example, that certain European cities manage to recycle almost 80% of their waste (Dresden, Frankfurt am Main). Out of the 180 of the 321 cities from across the 27 EU countries that provided information on this variable, 67 are listed as using open landfills for more than 80% of their waste. Clear North/South and East/West splits are evident.

*Figure 2. Urban Audit cities*
5.3. The European Urban Atlas

In parallel with the development of the Urban Audit and as a complement to it, the European Commission and the European Space Agency are supporting the Urban Atlas through a joint initiative known as GMES - Global Monitoring for Environment and Security.

Figure 3. Example of Urban Atlas mapping of land use.

The Urban Atlas will provide standardised, high-resolution, Europe-wide mapping (GIS datasets) for the Larger Urban Zones (LUZ) of all European cities. These datasets will have many uses, both operational and in terms of providing statistics and indicators - monitoring urban sprawl is a prime example.

5.4. The second State of European Cities report

Based on the Urban Audit, the State of the European Cities Report provides information about demographic change, urban competitiveness, living conditions and the administrative power of 258 EU cities. A series of observations concerning the economic

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34 The European Urban Atlas (http://www.gmes-gsland.info/com/promo/UrbanAtlas_Sept08.pdf) provides detailed digital mapping compiled from satellite photographs, with data on land use and land cover. All cities in the EU will be covered by 2011. The Urban Atlas builds on work done by the Joint Research Centre on modelling and mapping urban development (MOLAND). It also follows closely the approach of the CORINE Land Cover project of the EEA (compatible nomenclature, free dissemination of data and source images for example) but has a far higher resolution and a land use classes specifically designed to measure urban areas. 185 cities will be delivered this year (70 have arrived already and are being validated), a further 133 being mapped in 2010. Mapping resolution is 0.25 ha (50m x 50m), offering a reference scale of 1:10,000. This is 100 times more detailed than the CORINE database which addresses wider environmental land cover characteristics. A 3-year update cycle is envisaged as from 2011.

and employment situation in European cities is emerging out of the analysis work for the second State of European Cities report.\textsuperscript{36}

- In every European country, with the exception of Malta, the capital city dominates the GDP/capita ranking. In 8 capitals, these values are more than twice the national average and while this is perhaps not surprising in the case of London and Paris, the other 6 cities are all in the new Member States: Warsaw, Bratislava, Sofia, Bucharest, Prague, Budapest, Riga and Tallinn.

- A paradox emerges when looking at employment rates in cities. Jobs are concentrated in cities yet, in the majority of countries, employment rates in cities are significantly below those measured for the country as a whole. While the lowest city to city disparities tend to be characteristic of the Scandinavian countries plus Norway (generally in a narrow band between 58 and 78\%) there seems to be little in the way of a geographical pattern in other countries. Countries, which are as different as Greece and the UK, demonstrate wide disparities in their city-level employment rates (less than 50 to over 80\%). Rates for Belgian cities appear to be consistently below the national average.

**Figure 4. Employment rate statistics form the Urban Audit**

![Graph showing employment rates in European cities](image)

Ratio of employed persons to population of working age, by country and region, 2004 (in %)

*Source: RWI, draft final report of Urban Audit Analysis project*

### 5.5. Perception survey on quality of life in European cities

In the context of the European Commission work with respect to the "Eurobarometer" surveys, specific "Eurobarometer flashes" on the "Quality of life in European cities" have

\textsuperscript{36} An analysis is currently conducted collection by a consortium of study and research centres on the basis of the 2004 data.
been launched.\textsuperscript{37} A main conclusion of the 2006 survey was that people like living in cities, and a majority expressed positive views about their cities' future.

There is little variation in the concerns expressed from one survey to another. A majority thinks that "it is not easy to find good housing at a reasonable price", and that "it is not easy to find a job". Urban safety is a matter of concern in a quarter of the surveyed cities.

However widespread differences are evident in terms of the way European cities address certain issues, such as "air pollution" or "noise", as well as in the way they provide public services. Several questions address people's satisfaction regarding cultural facilities, sports facilities, green spaces, health care services, schools and public transport, which are worth analysing.

The most recent survey, conducted by Gallup Europe in October 2009, has given inter alia more prominence to environmental issues. It includes a series of new questions concerning:

- the availability and use of public transport; and other means of transport to work/training;

- cities' commitment to the fight against climate change (e.g. reducing energy consumption in housing or promoting alternatives to transport by car);

- perception of the city as a "healthy city";

- perception of "poverty" in the city;

- people's satisfaction regarding the availability of public spaces and the quality of the built environment in their neighbourhood.\textsuperscript{38}

6. CONCLUSIONS – MAIN MESSAGES EMERGING FROM THE DEBATE

The public debate launched by the Green Paper on territorial cohesion and the consequent discussions organised by DG Regional Policy have been extremely rich. This chapter summarises the key messages emerging from this debate.

On territorial cooperation, there is a need to apply an integrated approach to territorial development at the scale of functional cooperation areas, ranging from cross border agglomerations to macro-regions. For such a cooperation to function well, horizontal and vertical co-ordination issues need to be tackled. This involves not only an alignment of regulations, but also of local, regional, national and European strategies (through coordinated planning), as well as funding. It also requires adapted monitoring systems, and multi-level governance.

There is also a need to enhance EU wide networking on thematic as well as territorial issues. EU support through cooperation programmes is needed to improve strategy,

\textsuperscript{37} Surveys have been launched in 2004, 2006 and in October 2009. Since 2004, the survey has been carried out in 75 Urban Audit cities from the 27 Member States, Croatia and Turkey. In each city, telephone interviews are conducted with 500 persons, which means a total sample of 37,500 interviewees.

\textsuperscript{38} The results and analysis will be available before the end of 2009.
coordination, facilitation, monitoring, capitalisation and transfer of experience. It is also important to find a balance between bottom-up and top-down approaches, between strategic focus and adaptation to different territorial contexts. The three strands of cooperation (cross border, transnational, interregional) are not questioned, but some projects may have difficulty in finding their way through existing programmes, raising the question of greater flexibility.

On the urban and rural dimension, as well as urban-rural linkages, discussions underlined the need for cohesion policy to foster liveable urban and rural communities within a framework based on an LDM model, building on the experience of Community based initiatives such as URBAN and LEADER. As regards integrated urban development, the current period has seen the mainstreaming of the urban dimension. However, a number of weaknesses have been identified in the current system that future instruments for assisting urban development will need to address.

The cohesion policy allocation to the development of rural areas far exceeds the allocation of what is commonly known as wider rural development under the CAP. Key issues are how to better valorise what is currently being done by Cohesion Policy, as well as how to achieve better complementarity and synergy with EAFRD. The debate on urban-rural linkages has identified a need for better coordination of funds and possibilities to assist urban-rural partnerships at the level of functional areas.

One of the main messages emerging from the Green Paper consultation was the need for better coordination of public policies to maximise synergies and to avoid possible conflicts on the ground. This calls for better analysis and understanding of the territorial impacts of policies, together with an improvement of existing strategic coordination tools. This could be done by intensifying inter-service work on the territorial dimension and impacts of EU policies using a solid evidence base (e.g. ESPON, general as well as targeted sectoral ex-ante and ex-post impact assessments, etc.), considering common or better coordinated strategic guidelines or regulations, etc.

Better policies also rely on a solid knowledge base on territorial development across the EU. The European Commission is extending the scope of its regional and urban statistics, as has been demonstrated above. However the role of the MS must not be underestimated, especially regarding impact assessments and data collection.