

OPINIONS

COMMITTEE OF THE REGIONS

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Opinion of the Committee of the Regions — Towards an Integrated Urban Agenda for the EU

(2014/C 271/03)

Rapporteur: Mr Bas Verkerk (NL/ALDE), Mayor of Delft**Reference document(s)****I. POLICY RECOMMENDATIONS****Introduction**

1. Towns and cities are important motors of the European economy, ideal centres for personal and community development and bodies with significant potential for environmental efficiency. The commitment of towns, cities and urban regions is highly significant for the implementation of the Europe 2020 strategy and for the economic, social and territorial development of the EU ⁽¹⁾.
2. The important position occupied by towns and cities in European society has encouraged the Member States and the European Commission to take steps to draw up an urban agenda for the EU. The importance of towns and cities is also recognised by the UN, which is currently working on its New Urban Agenda, to be adopted at the next Habitat III conference in 2016. The urban agenda for the EU could feed into this.
3. The EU Treaty contains a number of references that provide the EU with a legal basis for supporting urban policies carried out at the national, regional and local levels as well as Member States' key responsibilities, such as the references to economic, social and territorial cohesion (Article 3), to local self-government (Article 4) and to the local dimension of the subsidiarity principle (Article 5). At the moment, there is in fact no comprehensive forward-looking urban agenda at EU level, despite the European Parliament's 2011 call for a European urban agenda ⁽²⁾, the intergovernmental Leipzig Charter process and the Toledo declaration. Due to the lack of such an agenda, there is too little consistency at EU level between the different policy initiatives and subsidy programmes and not every policy initiative achieves the desired tangible results.
4. Moreover, as we have seen in the past, there is no guarantee that the urban dimension will remain on the European agenda ⁽³⁾. As long ago as 1997, the Commission published a Communication on an urban agenda for the EU ⁽⁴⁾. Despite a number of declarations and measures, however, two decades later, the agenda has still not become a reality. The EU should ensure that towns, cities and urban regions are able to achieve their full strength and potential as motors of economic growth, employment and social inclusion. The time has now come for a genuine European urban agenda. The Leipzig Charter provides a good starting point. A European urban agenda must take into account all aspects — economic, social and environmental — of sustainable urban development.

⁽¹⁾ European Commission: Cities of tomorrow Challenges, visions, ways forward (October 2011).

⁽²⁾ European Parliament resolution of 23 June 2011 on the European Urban Agenda and its Future in Cohesion Policy (2010/2158 (INI)).

⁽³⁾ Hans Verdonk, 'Urban policies in Europe' in: Leo Van den Berg, Luis Carvalho and Jan van der Meer, 'Cities as engines of sustainable competitiveness: Looking back at two decades of urban policies', Rotterdam, 2014.

⁽⁴⁾ COM(1997) 0197 final.

5. The Committee of the Regions calls on the Commission to present a White Paper for an integrated urban agenda further to the communication planned to follow on from the Urban Forum on 17 and 18 February 2014. This White Paper should make it possible to anchor the urban dimension structurally in all relevant European policies and legislation, in order to eliminate existing overlaps and inconsistencies. During the drafting of the White Paper, the Committee will pursue the debate on EU's urban strategy in order to provide the Commission with practical information and to ensure that the strategy remains on the European agenda. The Committee underlines the importance of a sustainable and holistic approach to urban areas, based on the ideas and suggestions expressed in the Committee's other opinions complementary to this one, namely those on the 7th Environment Action Programme and the sustainable city ⁽⁵⁾ and on the urban mobility package ⁽⁶⁾

6. An EU-level urban agenda would support recognition of the importance of towns and cities in achieving European policy objectives and in making the EU more competitive internationally. At the same time, the development of this agenda must not overlook either the interaction between cities and countryside or its heavy influence on general territorial development. Accordingly, it is essential to ensure strong synergies between the urban agenda and the territorial dimension of the EU 2020 strategy.

The strength of towns and cities and their challenges

7. As a result of the shift from a service economy to a knowledge-based economy and the continuing digitisation of society, towns and cities have become the economic pillars and drivers of jobs for the EU. Innovation and new economic activities often have their origins in the city. Cities are also breeding grounds for art, culture and creativity, where the identities of cities and their inhabitants are forged. Cities are therefore one of the EU's major assets in international competition with other continents.

8. In the EU, around 68 % of the population now lives in urban areas (source: Eurostat) ⁽⁷⁾. Apart from the two major metropolitan areas of Paris and London, the EU has a unique polycentric structure built around large, medium-sized and small towns and cities. Some 200 million people live in towns of fewer than 100 000 inhabitants, which often play an important regional role in the area of services and facilities and in improving the quality of life and territorial balance. The EU's urban agenda must therefore not be confined to Europe's largest cities; it should also be applicable to small and medium-sized towns and urban areas. Against this backdrop, the Committee is pleased to note that the forthcoming EU presidency trio (Italy, Latvia and Luxembourg) will pay particular attention to small and medium-sized towns and cities in the EU and to their role in the context of common territorial development.

9. For their inhabitants, today's towns and cities and their rural hinterlands are much more than an area with administrative boundaries. City and non-city dwellers move around larger agglomerations, travel to work areas and functional areas (urban or rural-urban) within a daily urban system. In order to make life easier for their inhabitants, town councils form networks with neighbouring municipalities to organise traffic and transport, spatial planning, green spaces and the economy on an appropriate scale. Cooperation between urban areas and the surrounding countryside is crucial in this regard. Peri-urban and rural areas have a key role to play here, because they provide neighbouring towns and cities with foodstuffs, energy, space, recreational activities and nature, and also protection from hazards such as forest fires and flooding. Furthermore, it must not be forgotten that these urban systems can include territory from more than one Member State. Special attention must be paid to the specific issues that arise in these cross-border urban areas.

10. Agglomerations or functional regions require a different model of governance and a long-term view to ensure coherence and tangible results, such as integrated transport systems ⁽⁸⁾. These long-term views, which in some Member States are already developed jointly by the local and regional authorities, form the basis for an integrated area-specific approach, which guarantees the area's territorial cohesion and makes tangible, measurable outcomes possible. In the 2014-2020 period, integrated territorial investments will, in a number of Member States, make it possible to access resources from different priority areas or programmes and will therefore act as a stimulus, promoting the cohesion of towns and cities and surrounding municipalities that are interconnected through functional links, establishing synergies and financing more ambitious projects and will ultimately make it possible to solve common problems that go beyond the administrative boundaries of individual local authorities. The Committee notes that in its study 'Cities of Tomorrow', the Commission refers to this development and acknowledges that its policies should take greater account of functional regions in terms of agglomerations and metropolis and across borders ⁽⁹⁾.

⁽⁵⁾ COR-2013-07987

⁽⁶⁾ COR-2014-00090

⁽⁷⁾ Eurostat: City Statistics — Urban Audit, Luxembourg 2013.

⁽⁸⁾ CDR2994/2013.

⁽⁹⁾ European Commission: Cities of tomorrow Challenges, visions, ways forward (October 2011).

11. By operating at agglomeration scale ('borrowing size'), cities benefit from greater cohesion and innovation potential, better links between education and the labour market and a smaller ecological footprint, while limiting the disadvantages, such as environmental pollution, poor accessibility, social exclusion and crime⁽¹⁰⁾. Bigger is not always better. It is therefore equally important to ensure that local communities are actively involved in the decision-making process at municipal level, especially in discussions on cooperation with neighbouring authorities.

12. Nevertheless, the challenges facing society are particularly evident in urban areas. A number of European policy initiatives consequently impact — whether intentionally or not — on urban policy. In this regard, the Committee calls for a more thorough overview of all Commission initiatives containing an urban dimension building on the Issue Paper that formed the basis of the CITIES Urban Forum 'Cities of Tomorrow: Investing in Europe' of February 2014⁽¹¹⁾.

13. Towns and cities are shouldering their responsibility to seize opportunities and to deal with any obstacles that stand in the way. Europe's towns and cities can play an important role in implementing the Europe 2020 strategy. The societal challenges enshrined in this strategy also set the policy agenda for cities and regions. The interests of the citizens are of key importance here. Towns and cities in the EU are currently facing a number of different challenges and problems. While, on the one hand, as a result of emigration and ageing of the population, some cities are seeing their population decline and face problems due to the scale of the facilities they provide, others have a growing population, which increases pressure on existing facilities and exacerbates other problems such as (youth) unemployment, social exclusion, poverty, affordable housing, traffic congestion and environmental pollution. One widespread problem, which has been exacerbated by the recession, is the growing gap between the ever-greater demand for local services and stagnating or even diminishing financial resources. The urban agenda needs to address all of these concerns and challenges.

14. The EU urban agenda should aim to overcome the current model of urban sprawl, compartmentalisation and exclusion in order to achieve a more compact, integrated and inclusive model. This new method would involve adopting an integrated approach that focuses on a mix of people and activities to generate both economic growth and jobs, and also pays attention to striking the right balance between the economic, social and environmental aspects of urban development.

The city as coordinator and platform

15. The relationship between government and society is undergoing a sea-change. The digitisation of society is making people more vocal, more demanding and more empowered (new citizenship). Secondly, the same individuals are increasingly concerned about their social responsibility. A growing number of businesses therefore offer 'cradle-to-cradle' products, tackle the waste of raw materials and give disadvantaged people the opportunity to enter the labour market. Town councils want to work increasingly closely together on different scales within the quadruple helix (inspired by the triple helix model and consisting of cooperation between public authorities, business, knowledge institutions and civil society organisations), in order to find solutions to societal challenges. Against this backdrop, local government often takes on a coordinating role and, as initial major customer or coordinator, offers the other partners a platform for finding solutions. The city therefore acts as a location (a living lab), in which the most appropriate projects for local conditions are carried out in conjunction with partners. Towns and cities that are home to universities and colleges play an additional role in fostering entrepreneurship and in linking technological opportunities with social challenges. Urban areas are, as a result, the ideal test-beds for European policies.

16. As part of society, authorities have a responsibility to place on the agenda the major issues facing that society, such as the economic crisis, demographic change and climate-related issues. Traditional models of governance, organisation and economy are no longer providing solutions to these problems. Due to the scale of the challenges, shrinking budgets and the complexity of the situations they face, public authorities can no longer deal with everything on their own.

⁽¹⁰⁾ European Metropolitan Network Institute (EMI): A strategic knowledge and research agenda on polycentric metropolitan areas (The Hague, 2012).

⁽¹¹⁾ European Commission: Issue paper for discussion in the forum 'CITIES — Cities of tomorrow: Investing in Europe', Brussels, 17—18 February 2014. See also on DG REGIO's website an overview of all EU-funded programmes and initiatives in the field of urban policy: http://ec.europa.eu/regional_policy/urban/portal/index_en.cfm?smenu_mapping_id=10.

17. In an increasingly participatory society, local authorities must give scope in their decision-making process for initiatives organised jointly by citizens, business and civil society institutions at the municipal or neighbourhood level. Responsibility for a city's organisation is consequently now borne by a larger number of stakeholders and not just by the city authorities alone. The challenge here is for all citizens in the new society to take part, especially young people and migrants, in order to prevent the development of a two-tier system. Acting as 'motor' for social integration and providing a means of emancipation for its inhabitants are two of the main functions of the modern city.

18. Local initiatives ensure that each city or urban area is supplied with increasingly tailored services. Across Europe, this results in a wide range of differing approaches. European policies and legislation should take account of the new relationships at the local level and of the diversity of approaches to the social challenges involved and should try to compile these emerging best practices and facilitate their sharing across the EU.

19. To date, the EU has used standard legislation and uniform deadlines to implement its policy objectives. Its policy-making should today take greater account of the feasibility of its initiatives at local and (sub-)regional level and should be receptive to input from decentralised levels of government when drawing up impact assessments and new policies (the bottom-up approach). Showing due regard for the subsidiarity and proportionality principles, any impact assessment for new proposals should contain a critical assessment of its consequences for towns and cities. This is the only way which the feasibility of European policies and legislation at the local level can be assessed and guaranteed in advance.

Towards an Integrated Urban Agenda for the EU

20. In order to anchor the debate on the urban dimension structurally at the EU level, the Committee suggests that the Urban Forum held on 17 and 18 February 2014 be repeated every two years from now on. The Committee also calls on the Commission to appoint a representative on urban policy within its organisation who would be responsible, together with the Commission's inter-service group on urban policy, for evaluating all proposals and initiatives in the light of the urban dimension, and in order to facilitate an integrated policy approach. This working group should also be given the task of coordinating the contributions of towns and cities when drawing up new EU policy having an impact on urban areas. The Committee could appoint its own representative for urban policy, in order to assess proposals on the urban dimension.

21. The Committee supports the establishment of a working group of Member States in order to draw up a common vision for European cities, paying particular attention the position of towns and cities in the Europe 2020 strategy, and to present this in 2016. It calls on the Member States to cooperate closely with the Committee of the Regions and local authority associations. This common vision could provide a solid basis for the further development of the urban agenda, not only at European level, but also in the individual Member States, regions and local authorities.

22. The Committee of the Regions reiterates its call for the Commission to draw up a White Paper on an integrated urban agenda⁽¹²⁾ before the successor to Europe2020 and the EU budget post-2020 are announced. The aim of this White Paper would be to establish a more integrated approach to EU policy and legislation that affect towns, cities and urban areas and to involve towns and cities and local and regional authorities more closely in the preparation of that policy as well as to make recommendations as to which elements of European funding programmes are likely to support urban development. A new form of governance is essential to achieving this. The White Paper should ultimately lead to a genuine cross-cutting anchoring of the urban dimension in the EU decision-making process (urban mainstreaming) and not to a specific EU strategy or programme. The **incoming** Commission should draw up this White Paper in close cooperation with towns and cities in order to demonstrate the need for new governance for urban policy at EU level.

23. The White Paper should include the following elements:

a) A new method for a more integrated approach to policy development

24. The Committee of the Regions notes that, in order to remain competitive internationally, Europe above all needs lively, dynamic cities. EU policies and legislation can help to create the right conditions to achieve this. The fact that some 70 % of European policies and legislation are implemented at the local and regional level means that overall consistency is needed, but the Committee notes that EU rules sometimes have precisely the opposite effect. A good example of this is provided by the Committee in its opinion Review of EU air quality and emissions policy⁽¹³⁾, which shows that, when addressing the improvement of air quality, the ambitions of the different EU environmental directives should be aligned and that the timeframes for their implementation should be synchronised, if the desired results are to be achieved.

⁽¹²⁾ CdR RESOL-V-009.

⁽¹³⁾ CdR 329/2011 fin.

25. Inadequate source-based policy at EU level can lead to precarious situations. As a result, towns and cities are not able to achieve the desired standards, and instead risk being billed by their respective Member States — through national legislation — for European fines imposed for having exceeded European limits. The Committee therefore calls on the Commission to develop a method for a more integrated approach in order to develop consistent policies and legislation, starting with a more robust and participatory territorial impact assessment involving local and regional authorities, enabling the EU to provide the right conditions for towns, cities and urban regions to implement European policies.

26. In order to achieve a genuine integrated approach the White Paper would ideally provide a clear definition of integrated sustainable urban development and set out clear objectives that the EU wishes to achieve in this area. These are cross-cutting goals that should be achieved across the various policy fields.

27. An integrated approach to urban policy involves taking spatial planning policies into account since urban areas extend beyond the municipal level.

28. The Committee of the Regions therefore reiterates its view that the territorial impact assessment tool should be used as guidance for promoting a more integrated policy approach where territorial cohesion is concerned⁽¹⁴⁾. The Committee defines territorial cohesion as a three-dimensional concept, involving balanced territorial development, territorial integration and territorial governance. The Committee is disappointed that the Commission confines the territorial impact assessment to the first of these three areas, as it is the second dimension that actually promotes a comprehensive approach to policy and legislation. Crucially, the forthcoming review of the Commission own Impact Assessment Guidelines offers a unique opportunity to precisely articulate the urban mainstreaming into the Commission internal policy development processes.

29. We also consider that the White Paper on integrated urban policy should address the regeneration of run-down urban areas, urban rehabilitation and renovation, as well as energy efficiency in building construction.

30. A good example of a more integrated approach at EU level is the European Innovation Partnership (EIP) Smart Cities and Communities. This EIP was created to make use of innovations for cities generated through public/private initiatives at the intersection between urban mobility, energy efficiency and information and communication technologies. The EIP makes it possible to translate EU-level macroeconomic policies into urban practices. It is nevertheless important that towns and cities are given the opportunity to set the agenda and to play their part as coordinators to the full.

b) An urban dimension in European funds

31. Good examples such as the European Innovation Partnership (EIP) Smart Cities and Communities stand in stark contrast to the involvement of towns and cities in the Structural Funds programmes 2007-2013. For the new programming period 2014-2020, a number of initiatives draw particular attention to the urban dimension in cohesion policy (the obligation to set aside 5 % of the ERDF budget for urban development, the creation of urban development networks and funding for innovative measures for sustainable urban development). However, the call for greater density could mean that a town or city is not viewed in terms of its overall urban development. There needs to be better coordination within the Commission to promote a deeper understanding of the urban dimension's sectoral policies (environment, energy infrastructure, mobility) in all Commission units.

32. The Committee of the Regions reiterates its support for the Commission's attention to integrated urban agenda in the new cohesion policy⁽¹⁵⁾. It also welcomes the strengthening of the partnership principle in the new cohesion package and the publication of the European Code of Conduct on Partnership. The Committee of the Regions will nevertheless keep a close eye on the practical implementation of the Commission's proposals for carrying out the new ERDF and ESF programmes, especially, the way cities and towns are involved in the management and governance of the programmes.

⁽¹⁴⁾ CdR 29/-2013 fin.

⁽¹⁵⁾ CdR 5/2012 fin.

33. The Committee of the Regions calls on the Commission to work together with the Committee to monitor the involvement of towns and cities in the new Structural Fund programmes and, wherever possible, to promote such involvement. The lessons drawn from this could feed into an important policy recommendation for the development of cohesion policy after 2020, and for other European programmes that promote the achievement of EU objectives at local level.

34. Cities also participate in other EU subsidy programmes, such as LIFE, Horizon 2020, Intelligent Energy — Europe, etc., although these programmes lack a thematic focus on urban issues and synergies with the ESI programmes. Paying special attention to synergies between EU subsidies would have positive effects in towns and cities.

c) A platform for the exchange of good practices

35. With the creation of networks of local authorities at European level, the Commission meets the need for cities to exchange good practices on different issues. The URBACT territorial cooperation programme, the EU programme to promote sustainable urban development also meets this need. The Europe for Citizens competitive programme encourages thematic networking between municipalities on specific subjects of shared interest as an important means of facilitating the exchange of good practice. In addition to programmes co-financed by the Structural Funds and EU competitive programmes, there are also other programmes for knowledge-sharing between cities (such as Civitas, the Covenant of Mayors, Mayors Adapt, Smart Cities and Communities Initiative, Reference Framework for Sustainable Cities, Managenergy). The Committee notes that the number of initiatives for sharing knowledge and experience is growing and is increasingly diverse. In order to ensure a more comprehensive approach, the Committee urges the Commission to consolidate these different European funding programmes and support networks as to enable local areas to better understand and engage with them in a more efficient way than at present.

36. In order to be able to assess urban areas more accurately than just on the basis of the GDP indicator, when sharing knowledge and benchmarking urban policy, sufficient data must be available, for functional regions where possible. One of the main problems here is that Eurostat NUTS areas do not accurately reflect the reality of the situation in towns and municipalities. To this end, Eurostat should provide and compile more detailed local data and work should continue on the Urban Audit and similar surveys. Alternatively, uniform criteria should be developed for the definition of metropolitan areas. Practical instruments should also be implemented in order to measure the progress and impact of an integrated urban agenda at the EU level. The Committee therefore calls on the European Commission to work on a new monitoring instrument to develop the EU urban agenda.

d) A new model of governance

37. It is time for a new model of governance, giving towns and cities greater and earlier involvement (by way of the CoR, city networks such as Eurocities, or the Covenant of Mayors, for instance) throughout the cycle of the European policy process. By involving towns and cities and local and regional authorities more closely at all stages of the policy cycle, the EU can respond more effectively to the changes that towns and cities are currently undergoing. The consequences of policy initiatives and legislation on cities can thus be better assessed and to offset the risk of EU policies being inconsistent and simply not relating to the realities on the ground. Moreover, under Article 5 of Regulation (EU) No 1303/2013, the general regulation on the structural funds, this 'multi-level governance approach' should be applied throughout the preparation and implementation of EU cohesion policy programmes.

38. The principle of multilevel governance is extremely important, but should be adjusted to take account of the new relationship between government and society, which should go hand in hand with a greater role of towns and cities and local and regional authorities in the EU policy-making process. With this end in mind, European municipalities' signing of the Charter for Multilevel Governance in Europe will facilitate partnership between different administrative levels (local, regional, national and European) in framing effective public policies, with the implementation of a series of principles such as participation, cooperation, transparency, universality and consistency, which are prerequisites for the success of these policies for the benefit of the general public.

39. Representatives of towns and cities and local and regional authorities should be structurally involved in policy-making by the Commission's departments (through taking part in expert groups, for example), in order to ensure better coordination of the urban dimension in European policies, on the basis of practical experiences and concrete data. Provisions to this effect could be formalised in the new interinstitutional agreement between the new Commission and the Committee of the Regions.

The Committee and the urban agenda

40. The Committee attaches great importance to the urban dimension in European policies and to the development of an EU urban agenda. As the voice of local and regional government in the EU, the Committee of the Regions will closely follow the progress of the White Paper and will continue to lead the debate on the urban agenda, both within the EU institutions and beyond. This opinion is an initial contribution by the Committee towards a genuine integrated approach to towns and cities in the EU.

Brussels, 25 June 2014

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of the Committee of the Regions*
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