

Developing an EU Urban Agenda

SUMMARY

Our towns and cities are home to nearly three quarters of the EU's population and most EU policies concern them, be it directly or indirectly.

Within the EU, a shared vision of urban development has gradually taken shape at inter-governmental level. At the same time there have been increasing calls for concrete action and the development of an EU Urban Agenda to give city authorities and stakeholders a greater say in the process. To help guide these discussions, the European Commission launched a public consultation following its July 2014 Communication on the Urban Dimension of EU policies. Its findings indicate broad support among city stakeholders for an EU Urban Agenda. The European Parliament has also prepared a draft report on the issue as part of this process, which is due to be debated at the September plenary session.

The revised 2014-20 Cohesion Policy framework introduced a number of new instruments intended to increase the role of cities in cohesion programming and implementation and thus enhance the urban dimension of cohesion funding. Analysis of the operational programmes prepared thus far, however, reveals a low uptake of these instruments by the Member States, calling into question the commitment of national governments to the urban agenda.

While the debate progresses, Member States continue to differ in terms of their vision of an EU Urban Agenda and the means to implement it. The EP has actively participated in this debate and aims to make a valuable contribution to the efforts of future presidencies to reach consensus and move the process forward.



In this briefing:

- Background
- Voices in the current debate on an EU Urban Agenda
- New Cohesion Policy developments 2014-2020
- Future outlook
- Main references

Background

Towns and cities are part of the fabric of Europe's landscape. With over [70%](#) of the EU's total population resident in urban areas, they account for the majority of the EU's population today. More than just centres of population, towns and cities lie at the very heart of modern society: veritable hubs of innovation, they are where the economy develops and – ultimately – where new jobs are created. While cities are sometimes differentiated from towns based on size (e.g. [towns](#) have between 5 000 and 50 000 inhabitants whereas cities are considered to be larger), this document uses the umbrella term 'towns and cities' to refer to urban areas in general.

Many of the policy challenges facing Europe have a disproportionate impact on urban areas. These range from issues such as social exclusion and migration to climate action and environmental deterioration. Crucially, however, Europe's towns and cities also contain the solutions to these very challenges: as places where people and resources congregate, they provide unrivalled opportunities for promoting sustainability, energy efficiency, economic innovation and social inclusion.

An EU Urban Agenda

Despite the clear potential of urban areas for boosting the EU's economic, social and cultural development, the EU policy response to date has been slow and fragmented. An increasing number of city stakeholders (see page 4) argue that towns and cities should be given a greater role in the design and rollout of EU policies and that policy-making should better reflect urban reality on the ground. With around [two thirds](#) of all EU sectoral policies having an impact on Europe's towns and cities, the EU is dependent on them for their successful implementation and for achieving the [Europe 2020 objectives](#) of smart, sustainable and economic growth. Equally, it is difficult to imagine making progress towards meeting the Europe 2020 objectives if policies on, for example, the environment or transport are tackled in isolation. There is clearly a need to ensure more effective coordination between the many policies impacting on urban areas and to support and bring together the efforts of local, national and EU levels of governance to help deliver the best results. This can be achieved by developing a common framework of action – an EU urban agenda.

Towards a shared vision of urban development

As there is no legal basis for urban policy in the founding treaties of the European Union, discussions on urban development at EU level have primarily taken place within the framework of intergovernmental cooperation. This ongoing process, which has largely taken the form of informal meetings of ministers, has helped shape a shared conceptual framework, leading to agreement on the objectives and principles of urban development, commonly referred to as the 'urban *acquis*'. Over time, ministers responsible for urban development have reached consensus on specific objectives and values for urban areas and how to reach them. The 2007 [Leipzig Charter](#) called for the sustainable development of cities through the greater use of integrated urban policy approaches, helping to ensure that cities are healthy and pleasant places to live, and placing a specific focus on deprived urban neighbourhoods. This was followed three years later by the [Toledo Declaration](#) which highlighted the important role of cities for implementing the Europe 2020 strategy through the use of integrated urban regeneration projects in such areas as energy efficiency, housing renovation or improving public transport. However, these and related declarations, including the [Territorial Agenda](#) 2020 (agreed in 2011), which advocated the implementation of the

Europe 2020 Strategy in line with the principles of territorial cohesion (the harmonious development of Europe's territories – see the [Green Paper on Territorial Cohesion](#)) were not binding on the Member States. This in turn led to calls for more concrete action from the Netherlands and Belgium, a move which subsequently gained the support of Member States' directors-general for territorial cohesion, spatial development and urban development in [Vilnius](#) in November 2013 and the (then) incoming presidency trio of Italy, Latvia and Luxembourg.

Voices in the current debate on an EU Urban Agenda

Committee of the Regions (CoR)

The process was further strengthened in late 2013 by the discussions on the drafting of the CoR's [own-initiative opinion](#), *Towards an integrated urban agenda for the EU*. This opinion, adopted in July 2014, called on the Commission to present a white paper for an integrated urban agenda, which would seek to eliminate existing inconsistencies and overlaps and identify which elements of EU funding programmes have the potential to support urban development. The opinion argued that the white paper should lead to the urban dimension being anchored in the EU decision-making process (a concept referred to as '**urban mainstreaming**') rather than formulate a specific EU strategy. It noted the need for a new model of governance to ensure the closer and earlier involvement of towns and cities at all stages of the policy cycle.

European Commission

In February 2014, the Commission organised a first forum entitled [CITIES: Cities of Tomorrow: Investing in Europe](#). Using a 2011 [report](#) as the main starting point, forum participants showed broad support for an EU Urban Agenda, calling on the Commission to play a leading role in advancing this [process](#). In follow-up, the Commission adopted a [Communication](#) in July 2014 on the *Urban Dimension of EU policies*. Its purpose was to launch a public consultation on the need for an EU agenda, outlining six key questions to make it possible to define the objectives of the EU urban agenda and identify how it will function. According to the [results](#) of this public consultation, presented at the second [CITIES forum](#) in June 2015, respondents feel that an EU urban agenda should help cities to implement European priorities and, in this way, push the EU towards achieving its political objectives. Most consider that there is no need for new legislation, new funding sources or for the transfer of new competences to the European level but rather for better legislation that reflects urban realities and structured dialogue respecting subsidiarity. In response, the Commission proposes that the EU Urban Agenda focus on the three priority areas of **smart, green and inclusive** cities, ensure the effective application of better regulation tools such as territorial impact assessments, improve the coherence and coordination of EU policies with an impact on cities e.g. by providing cities with a single access point to EU initiatives and, lastly, improve urban intelligence, benchmarking and monitoring by carrying out new urban research and harmonising urban data sources. Furthermore, the Commission suggests continuing the dialogue with stakeholders and Member States in order to identify critical urban issues in the three priority areas, map the urban-related EU initiatives in these areas and identify the main actors, networks and platforms involved.

European Parliament

The European Parliament made an important contribution to the debate in 2011 with a [resolution](#) calling for a stronger urban dimension for EU policies and the development of a joint working programme or an 'EU urban agenda'. The EP strengthened the urban

dimension further by successfully negotiating the delegation of powers to urban authorities under Article 7 of the ERDF Regulation (see below) during the trilogue discussions on the 2014-20 Cohesion Policy package. It is also heavily involved in the current discussions on the EU Urban Agenda. The Committee on Regional Development adopted an [own-initiative report](#) (rapporteur Kerstin Westphal, S&D, Germany) on this topic on 17 June 2015. The report stresses that the EU Urban Agenda should involve the local level more closely at all stages of the policy cycle, based on a new multi-level governance method. It calls for an early-warning mechanism to allow local authorities to check compliance with the subsidiarity and proportionality principles, and argues that the EU Urban Agenda should strive to gain the best leverage from invested funds by creating synergies between EU programmes, national and private sector funding. The EP also calls for territorial impact assessments to ensure the feasibility of relevant EU policy initiatives at local level as well as the appointment of a special EU urban coordinator to monitor the coordination of policies with an urban dimension and the creation of a 'one-stop shop' on urban policies. It highlights the need for more detailed urban data, and recommends the organisation of regular urban policy summits, drawing on the 'Cities of Tomorrow' forum, noting that the urban agenda should be in line with the EU's overall objectives, particularly EU 2020, and be part of the Commission's annual work programme. As a long-time advocate of an EU Urban Agenda, the EP's [URBAN Intergroup](#), whose president Jan Olbrycht was the EPP's shadow-rapporteur, was also closely involved in the discussions.

The view of city associations

While their views may differ in terms of detail, there is wide support for the idea of an EU Urban Agenda among city stakeholders. Eurocities, an association speaking for over 130 major cities across Europe, argues in its September 2014 [contribution](#) to the Commission's public consultation that the urban agenda should respect subsidiarity by developing a framework for better policy coordination. It stresses the need to involve cities in national decisions on Europe 2020 programming and calls for the appointment of an urban envoy at the Commission to improve coordination of EU policies with an urban dimension. Energy Cities [believes](#) that the urban agenda should not be restricted to specific urban challenges and that cities should be given a greater role in EU policy development and implementation processes, calling for a new form of governance where local authorities voluntarily contribute to EU objectives. The [contribution](#) by the Council of European Municipalities and Regions stresses the need to mainstream the local dimension in all EU policies and programmes, noting that the EU should optimise the current *acquis* rather than create a new policy. It argues that the EU urban agenda needs to take account of the links between urban and rural areas and that the Commission should carry out local impact assessments of its policies for new legislation.

New Cohesion Policy developments 2014-2020

In the context of the current discussion on the EU's urban agenda, it is also useful to examine the new Cohesion Policy framework, which accounts for one third of the EU's [total budget](#) (heading 1b of the Multiannual Financial Framework – MFF) and which, notably, places a new focus on the urban dimension during the 2014-20 programming period. One of the key developments in this area is [Article 7](#) of the ERDF Regulation which provides that at least 5% of the European Regional Development Fund resources allocated at national level under the investment for jobs and growth goal must be earmarked for integrated actions for sustainable urban development. Urban authorities are responsible for tasks relating at least to the selection of operations, and may also

undertake tasks concerning the management of integrated actions which tackle the economic, environmental, climate, demographic and social challenges affecting urban areas, thereby giving cities a greater say. The urban dimension has also been reinforced through Article 8 of the ERDF Regulation. It supports studies and pilot projects to identify or test new solutions addressing issues related to sustainable urban development ([Innovative Actions](#)), encouraging innovation in this field and the involvement of urban authorities in their preparation and implementation. Equally, the [Urban Development Network](#) established under Article 9 of the ERDF boosts local level involvement, advancing discussions on the implementation of the urban dimension by supporting capacity-building, networking and the exchange of good practices between urban authorities implementing sustainable urban development strategies.

To help Member States carry out integrated actions in areas such as sustainable urban development, the Common Provisions Regulation has introduced two new territorial tools: [Integrated Territorial Investments](#) (ITI) and [Community-Led Local Development](#) (CLLD). Not only do they allow funding from different funds to be combined, they also create significant scope for local level participation. ITIs provide a means of ensuring an integrated approach involving investments from the ESF, ERDF or Cohesion Fund under more than one priority axis of one (or more) operational programmes. In particular, they allow Member States to designate local authorities to carry out the management and implementation of an ITI, giving cities a greater role in delivering funding. CLLD involves the design and implementation of a community-led local development strategy by a local action group composed of representatives of public and private local socio-economic interests. In decision-making terms, neither public authorities nor any interest group represents more than 49% of the voting rights, ensuring that the delivered strategy is acceptable to all. It is this bottom-up approach which is the hallmark of CLLD.

Problems with the implementation of new Cohesion Policy instruments

As the Member States' partnership agreements must provide details of the implementation arrangements for CLLD and ITI, these documents can provide a useful picture of how the urban dimension is being implemented in practice. The European Commission presented an interesting initial analysis of the uptake of these new territorial tools during an [event](#) held at the CoR in November 2014. At the time, only 20 Member States had submitted their partnership agreements for approval, which means that the findings do not cover all 28 countries. Nonetheless, they reveal that only 10% of cohesion funding in these countries will be implemented using an integrated approach involving ITI or CLLD. Further analysis showed that ITIs are used to implement just 43% of this already small proportion of funding, while the CLLD instrument is used to deliver projects worth a total of only €2 billion. These figures would appear to call into question the commitment of certain Member States to involving the local level more in implementing EU funding, and thus to supporting the principle of increasing the urban dimension in EU policies and developing the urban agenda.

Moving the debate forward at inter-governmental level

Discussions on the EU's Urban Agenda have been taken forward by the Latvian Presidency, building on the ministerial agreement reached in [Athens](#) in April 2014 which gave further political backing to the idea of an EU Urban Agenda and identified urban poverty as a specific working field of strengthened cooperation, and on the [conclusions](#) of the November 2014 General Affairs Council, which made explicit reference to continuing work on the urban agenda. The [Latvian Presidency](#) has sought to identify the specific challenges facing small and medium-sized urban areas, with the June 2015 [Riga](#)

[Declaration](#) of ministers for territorial cohesion and urban matters providing political support for the development of the EU Urban Agenda. Work will continue in the second half of 2015 under the Luxembourg [Presidency](#), which will examine cross-border polycentric metropolitan areas and the urban dimension, and hold events including an informal ministerial meeting on territorial cohesion and urban policy in November 2015.

Future outlook

It is clear that significant differences exist among the Member States in terms of their commitment to and vision of the EU's Urban Agenda. As a long-term supporter of the process, the **Netherlands** has charted out a clear pathway in this area, focusing on three key 'tracks' – improving regulation, creating more workable financial instruments and developing a platform for urban knowledge, a process which will culminate in the signing of a political declaration on the EU Urban Agenda during its [presidency in 2016](#). The **United Kingdom** [argues](#) that the inter-governmental approach is the best way forward, suggesting that the EU urban agenda should focus on a small number of specific challenges, with the initiative for formulating policies in this area remaining with the Member States. Smaller countries meanwhile may well have a different set of concerns altogether. The government of **Malta** for instance [considers](#) that the EU Urban Agenda should represent a broad framework of principles which is sufficiently flexible to take account of differences in administrative levels within Member States.

At the recent CITIES forum, Commissioner Corina Crețu noted that, 'we are no longer discussing if we need an urban agenda but rather how we can begin to make it happen'. One of the most pressing challenges for the future presidencies of the Council will be to agree on how to move forward. Europe is standing on the threshold of a new era in urban policy and has arguably never been closer to achieving political agreement on the EU Urban Agenda. The EP aims to make a significant contribution to this process.

Main references

[The Role of Cities in Cohesion Policy](#) / Hamza, Christine et al, European Parliament Policy Department B, PE 529.075, Brussels: European Parliament, 2014

[The Urban Dimension in Cohesion Policy – Past developments and future prospects](#) / Atkinson, Rob: paper presented at an RSA workshop on 'The New Cycle of the Cohesion Policy in 2014-2020', Institute for European Studies, 2014

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