Issues paper for discussion in the forum "CITIES - Cities of Tomorrow: Investing in Europe", Brussels 17-18 February 2014

1 The development of cities determines the future economic, social and territorial development of the European Union

Urbanisation is taking place at a rapid pace across the globe and since 2008 the majority of the planet's population is urban. Europe is advanced in this process; today more than two thirds of its population lives in urban areas and this share is projected to increase.

Cities are where the opportunities and threats to sustainable development come together. Urban areas are characterised by density: density of people, of activities, of interactions and of economic, social and cultural functions. Cities are places of innovation, drivers of our economy and where wealth and jobs are created. They are dynamic places where change can happen on a larger scale and at a more rapid pace. But the concentration of people, economic activities and built environment also amplifies social and environmental problems. Urban areas face multiple interrelated internal and external challenges related to employment, migration, demography, air, water and soil pollution, climate change, economic development etc.

> *"Europe cannot tackle today's challenges without the active input of cities. It is no overstatement to say that development of our cities will determine the future economic, social and territorial development of the European Union. Cities will be pivotal in achieving the ambitions of Europe 2020. And – whether you are thinking of the environment, the economy, or social cohesion - if we can't get it right in our cities, we won't get it right at all."* [Johannes Hahn, Commissioner responsible for Regional Policy]

European policy goals cannot be realised without the active participation of cities, and policy makers at all levels have to take greater account of the urban dimension.

2 Why a CITIES forum and an issues paper?

To be effective, national and European policies need to be fine-tuned to the urban realities of where they will take effect. **Calls are being made to more effectively address urban development challenges under the umbrella of an EU urban agenda.**

In 2011 the European Parliament adopted a resolution arguing for a strengthening of the urban dimension of EU policies and the intergovernmental co-operation on urban development policies, calling for a joint working programme or European Urban Agenda. The European Parliament also stressed the need for a stronger involvement of cities in these processes.

The explicit inclusion in 2012 of urban policy in the responsibilities of the Directorate-General for Regional and Urban Policy of the European Commission was made in recognition of the importance

of cities as key actors for European development. This has triggered a demand for more clarity on the Commission's urban development objectives to ensure better synergy and consistency between the urban related initiatives of different Commission services.

Member States have also indicated their interest in a new EU urban agenda in the context of the intergovernmental cooperation on urban development. In a meeting of the Directors General responsible for urban development in the EU Member States held under the Lithuanian Presidency, it was agreed to work together on an urban agenda. The Greek EU Presidency and the following Presidency Trio of Italy, Latvia and Luxembourg have committed themselves to support this process. The first steps have already been taken to intensify cooperation on particularly urgent issues, such as urban poverty and intra-EU migration flows.

At global level, the United Nations Human Settlements Programme, UN-HABITAT, has requested the EU and the European Commission to make a contribution to the HABITAT III conference in 2016. UN-HABITAT is shifting its focus from meeting basic needs, such as food, water, energy and shelter, towards more qualitative objectives based on the potential of urban development. The development of an EU Urban Agenda could contribute to this process.

The purpose of the CITIES forum and this issues paper is to stimulate a debate at the European level on **how the urban dimension of EU policymaking can be more effectively addressed and how cities' key role in implementing policies set at all governance levels can be better taken into account.**

Instead of conclusions this issues paper puts forward a series of questions for debate concerning an EU urban agenda: **Why** do we need an EU urban agenda? **What** should an EU urban agenda be? **How** can an EU urban agenda be implemented?

> *"Europe needs its cities to reach its Europe 2020 objectives. Cities are powerful engines for growth and jobs, but cities are also confronted with difficult and complex societal challenges, such as demographic shifts, climate change and youth unemployment. To be successful, modern cities need to respond to these challenges in cooperation with other levels of administration, the private sector and civil society. This cooperation needs to be facilitated and supported by the EU. This is why the EU needs a genuine urban dimension in its policy making. Yes, it is time for an EU Urban Agenda."* [Ramon Luis Valcárcel Siso, President, Committee of the Regions]

The Commission will report on the discussions at the CITIES forum, ahead of the informal ministerial meeting on Regional Policy to be held under the Greek Presidency in April 2014.

3 EU urban policy today

Economic, social and territorial cohesion all have a strong urban dimension. As the vast majority of Europeans live in or depend on cities, the development of urban areas cannot be isolated from the wider European policy framework. Decisions taken at EU level have an increasing impact on the development of cities, through Cohesion Policy, but also through a wide spectrum of sectoral policies.

More and more EU policies explicitly target urban areas: Environment, Energy, Transport, Information Society, Climate Action, Education and Culture, etc. and support initiatives such as Green Capital Award, Smart Cities and Communities European Innovation Partnership, the Covenant of Mayors or European Capital of Culture. Many other EU initiatives or directives implicitly target urban areas, e.g., noise and air quality directives, migration policies, climate change adaptation etc., which, although not urban *per se*, in practice chiefly concern urban areas.

> *"We should not keep thinking the city in its administrative borders. A future EU urban agenda has to take into account the interdependencies of cities and their surroundings. It should also facilitate all types of cities - small, medium-size and large cities - and closely involve them in the policy making process in relevant subjects and areas."* [Annemarie Jorritsma-Lebbink, Mayor of Almere, President of the Council of European Municipalities and Regions (CEMR)]

EU policies with an urban dimension

DG/ Agency	Policy/ Regulation	Targeting Cities/ local	Local projects	Studies/ research	Tools
Climate Action	X	X		X	X
Competition	X				
Communic. Networks, Content & Technology	X	X	X	X	X
Education and Culture	X	X			
European Environment Agency				X	X
Employment, Social Affairs and Inclusion	X	X	X		
Energy	X	X	X		X
Environment	X	X	X	X	X
Eurostat		X		X	
Home Affairs	X	X	X		X
Joint Research Centre	**X**			**X**	**X**
Justice	X	X			
Mobility and Transport	X	X	X		X
Regional and Urban Policy	X	X	X	X	X
Research and Innovation	X			X	
Health and Consumers	X	X			

Discussions in the intergovernmental process have brought us closer, in terms of aims, objectives, and values, to a consensus on the character of the European city of the future and the principles on which urban development in Europe should be based. This was supported by the Commission's initiative "Cities of Tomorrow". However, despite this, many stakeholders argue that **we lack explicit objectives, targets and instruments for urban development in Europe. Above all, the Europe 2020 strategy has been criticized for not having an explicit urban dimension.**

> *"Cities face complex challenges that cannot be solved by spatially blind sectoral policies. To tackle these challenges cities need a set of social, economic, governmental, and spatial interventions. That's what the urban agenda is about: it provides integrated approaches to work towards a sustainable, responsible and successful future of our cities."* [Mark Frequin, Director-General, Ministry of the Interior and Kingdom Relations, the Netherlands]

Sectoral policies with specific sectoral objectives often intervene in urban areas in a non-coordinated way which may result in reduced policy effectiveness, contradictions between policies, or missed opportunities through loss of potential synergies. Sector-specific requirements on cities to produce strategic documents and plans produced in isolation

from each other may result in an unnecessary administrative burden with sub-optimal use of resources.

Meanwhile, consultation of actors at city level is variable, reflecting the very different patterns of responsibility attributed to cities in the Member States. Many stakeholders argue that **the voice of cities in EU policy making is not always clearly heard.**

4 EU urban policy tomorrow – towards an EU urban agenda

Cities have a key role to play in addressing global challenges and implementing the Europe 2020 strategy. The objectives set cannot be achieved without the active involvement, commitment and ownership of cities. For this to happen, policy objectives, instruments and implementation have to be adapted to the realities of cities.

An EU urban agenda could be a tool to improve the quality of EU policies directly or indirectly impacting on cities. An EU urban agenda could help to consolidate the urban dimension of European policies, especially in relation to the Europe 2020 strategy. It could reduce compartmentalised policymaking and pave the way for overall European objectives to be better articulated with tangible local goals. It could be associated with a drive to spread understanding of the dynamics of urban development at all policy levels, through greater exchange of knowledge. In this way an EU urban agenda could be used to support cities' own efforts for sustainable development.

> *"If we build up cities in Europe that are leading innovators, we can help the whole continent to succeed in a tough global competition. But cities cannot do the work alone – they need firm support both from the European Union and from national governments."* [Taina Susiluoto, Director-General, Ministry of Employment and the Economy, Regional Department, Finland]

An EU urban agenda could strengthen cities' role in implementing overall EU objectives. An EU urban agenda could be instrumental in supporting different tiers of governance to work together towards longer-term shared objectives. A greater understanding of cities' role in delivering social, economic and environmental gains should help to align local, national and EU policy, bringing greater coherence and impact. An EU urban agenda could also provide a framework for local commitment and action on increasingly complex urbanisation challenges. Tools like the Reference Framework for Sustainable Cities or collective movements like the Covenant of Mayors support cities' individual action towards shared objectives.

5 Questions for debate

> *"There is a growing recognition of cities as drivers of the European economy, key players in climate action, and front-line managers of social cohesion. This is reflected in many EU initiatives, policies and funding programmes. An urban agenda can help improve how these come together in a practical, more coherent and coordinated approach to EU policy-making. An urban agenda should set a framework for new ways of working together, for engaging cities directly in developing and delivering more joined-up policies."* [Hanna Gronkiewicz-Waltz, Mayor of Warsaw, President of Eurocities]

5.1 Is an EU urban agenda needed?

The first question is whether European and national policies could and should be better adapted to the realities of the actors implementing the policies and to the specific conditions of the environments in which they are being implemented. If so, what should the specific purpose be and what are the specific issues that need to be addressed by an urban agenda? What sort of renewed relations are needed between different tiers of government, civil society and business to ensure a real impact? Should there be more explicit European urban development objectives that could guide progress on Europe 2020 goals supporting a more integrated approach? The purpose of an EU urban agenda could be to **ensure cities' full engagement in implementing European priorities.** It could be **a tool to set European priorities better adapted to the urban context** or it could be focused on **addressing coordination failures between policies or between governance levels**.

Question for debate: Why do we need an EU urban agenda - what is it that needs to be made to work better?

a) Do we need an EU urban agenda to facilitate the participation of cities in EU policy development and implementation, for example, of the Europe 2020 strategy?

b) Do we need an EU urban agenda to ensure that urban needs are better reflected in EU sectoral policies, and to improve co-ordination between sectors by pursuing an integrated approach? Do we need it to raise awareness on cities' needs and potential beyond urban stakeholders?

c) Do we need an EU urban agenda to improve articulation between cities, their MS and the European level on policy making?

5.2 What should an EU urban agenda be?

An EU urban agenda could take many forms, including combination of different aspects. It could, for example, be a charter with **principles** or a collection of **objectives** with measurable **targets.** It could be a **coordination instrument** or a working method, e.g. a support to interaction and coordination processes. It could be **a global strategy or action plan**, to support the development of local level or sector specific action plans. An EU urban agenda could be **a reference framework** in which different actors and policies would operate more or less independently. An EU urban agenda could enhance the collective role of cities in helping to reach EU level objectives, or it could be a tool to support cities' individual aspiration of sustainability and prosperity, or both.

Question for debate: What should an EU urban agenda be?

d) Should an EU urban agenda define priorities to work on? Should it limit itself to tackling certain specific challenges?

e) Should an EU urban agenda be a vision or a concrete strategy? Should it have priorities, tasks and timescales?

f) Should it provide a new working method between EU, MS and city actors?

5.3 How should an EU urban agenda be implemented?

Whatever form an EU urban agenda might take, there are some key aspects that need to be addressed in relation to its implementation, such as agreed **roles of different actors, ownership, incentives and commitment**. It has to demonstrate its **usefulness through results**. If the agenda is not to become static there is a need for **monitoring and stocktaking**, as well as mechanisms for adjustment and development. Policy needs to be underpinned by solid, relevant and up-to-date knowledge. Surveys on issues such as urban sprawl, the state of the housing stock, demographic trends, quality of life can help to monitor progress towards shared objectives and targets, etc. An EU urban agenda could be built on peer review of the urban impact of European and national policies or on how cities implement local action plans. There might be a particular role for the Reference Framework for Sustainable Cities (RFSC), both as a tool for cities to plan their development in an integrated way, but also to guide policies at a higher level.

Question for debate: How should an EU urban agenda be implemented?

g) What steps are needed to develop an EU urban agenda?

h) What should be the roles of the EU Member States, the Commission, and regional and local authorities?

i) How should the implementation of an EU urban agenda be monitored and steered?

"After many years of discussions about the urban dimension of cohesion policy and taking stock of numerous positive experiences of the European initiative URBAN I and II, I notice with great satisfaction that we are talking more and more about a European urban policy. Its elements are already present in many EU policies but today, for the first time, we are aware of the process of creating it. The programming period 2014-2020 will be the first test for this new approach." [Jan Olbrycht, Member of the European Parliament, Chair of the URBAN Intergroup]