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**Committee of the Regions**

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**7th commission meeting, 2 March 2016**

**DRAFT OPINION**

**Commission for Territorial Cohesion Policy and EU Budget**

**Concrete steps for implementing the EU Urban Agenda**

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Rapporteur: **Hella Dunger-Löper** (DE/PES) State Secretary, Representative of the Land of Berlin to the Federal Government with Responsibility for European Affairs

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This document will be discussed at the meeting of the **Commission for Territorial Cohesion Policy and EU Budget** to be held **from 11 a.m. to 5.30 p.m. on Wednesday, 2 March 2016**. To allow time for translation, any amendments must be submitted through the online tool for tabling amendments (available on the Members' Portal: <http://cor.europa.eu/members>) **no later than 3 p.m. (Brussels time) on Thursday, 18 February 2016**.

A user guide is available on <http://toad.cor.europa.eu/CORHelp.aspx>.

Reference document

## Draft opinion of the Commission for Territorial Cohesion Policy and EU Budget – Concrete steps for implementing the EU Urban Agenda

### I. POLICY RECOMMENDATIONS

#### *Introduction*

1. The Urban Agenda is a European project of outstanding importance: a new working method is being developed, which is intended to establish coherence between all policies affecting towns and cities. The aim is to improve the quality of life in towns and cities and to develop a new ‘urban’ governance that sets and implements goals through a practical and specific approach, coordinated at various levels. This new urban paradigm opens up great opportunities: it makes it possible for people on the ground to experience the added value of Europe; it can – in close connection with the European Commission's Better Regulation agenda – improve the quality of European policies by connecting national, regional and local strategies and thus go much further than the cooperation that has existed to date.

It can also make a relevant contribution to achieving the goals laid down in Article 3 TEU, including in particular the goals of economic, social and territorial cohesion, and the Europe 2020 strategy goals<sup>1</sup>.

Three key criteria are crucial to making this process successful:

- Transparency
  - Participation
  - Legally binding force.
2. The CoR wishes to thank all those who in the past two decades have called for towns and cities to be taken more into account and to be included more prominently in the process of policy formulation at European level, and who helped to prepare an Urban Agenda at EU level:
    - in this connection it stresses in particular the 2014 CoR opinion “Towards an Integrated Urban Agenda for the EU”;
    - it emphasises the role of the European Parliament and of the Urban Intergroup in highlighting urban issues and incorporating them into the Common Provisions Regulation on the Structural and Investment Funds, and in giving a major impetus to the design of an Urban Agenda through its Resolution of 9 September 2015 on the urban dimension of EU policies (2014/2213(INI));
    - it thanks the European Commission, which has raised awareness of the role of towns and cities through regular events and through the consultation procedure on the Urban Agenda held in 2015;
    - it points to the Riga Declaration under the Latvian presidency in which the urban dimension was, for the first time, given official recognition at the level of the Council;

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<sup>1</sup> CoR study on “The growth potential of an integrated EU Urban Agenda”, Final Report, 8 January 2016.

- in particular, it thanks the Netherlands presidency, which very quickly and systematically made the Urban Agenda one of the focuses of its presidency, thereby paving the way for intentions to be followed up with actions, and enabling the implementation of the Urban Agenda to finally now be tackled in the European Union. In this respect, thanks are also owed to the Netherlands presidency for preparing the Pact of Amsterdam, which is due to make the implementation of the Urban Agenda binding.

### ***Key points of the Urban Agenda***

3. The importance of towns and cities: the global trend of an increasing concentration of the population in towns and cities can also be observed in Europe; Europe is an urban continent. Approximately 70% of Europeans now live in towns, cities or urban agglomerations. These are the engine of economic growth. It is there that the EU's future strength at the global level will be determined. However, towns and cities are characterised by the confrontation of social opposites: wealth and poverty, unemployment and labour shortages, educational disparities and particular environmental challenges, to name but a few. As 'integration machines', they will also play a major part in coping with the current refugee flows.
4. Integrated approaches: even during the drafting of the 2007 Leipzig Charter it was highlighted that only integrated approaches would prove successful in cities. In this respect, it became apparent at an early stage that modern governance is the key to solving complex problems in cities. Successful approaches include: overcoming the 'silo mentality' in public administration, i.e. adopting an inter-departmental approach to problem-solving, interaction across traditional hierarchies, multilevel governance and the involvement of different stakeholders. A number of strands are sketched out here that are closely linked with the European Commission's ideas of better regulation, better funding and better coordination. However, integrated approaches require a high level of coordination at and across all levels: local, national and European.
5. Urban and rural areas are complementary functional spaces: the fear is repeatedly being voiced in the discussions on the Urban Agenda that a stronger focus on urban issues will mean less support for rural areas. Urban and rural areas are not in competition with or even in opposition to each other. On the contrary, it is the fact that their respective features give rise to a distribution of roles and functions between urban and rural areas that makes the collective achievement of European objectives possible. The overriding objective of an environmentally, economically and socially robust Europe can only be achieved if both are strong. A European urban policy includes all urban areas and conurbations: not only capitals and other large cities, but also small and medium-sized towns and cities, which are of key importance to their surrounding areas.

### ***Procedure for implementing specific steps for an Urban Agenda: the Pact of Amsterdam***

6. The European Commission, together with the Netherlands presidency and involving numerous stakeholders, has started to prepare the Pact of Amsterdam. Its aim is to develop and implement three-year action plans for integrated policies for key urban problems within the framework of twelve thematic partnerships.

The twelve priority themes set out are not an exhaustive list. Partnerships should also be set up on other issues requiring integrated policy approaches, for example, taking into account the cultural dimension in urban development and new inclusive forms of participation. A comprehensive assessment of the thematic priorities will, however, only be possible when the partnerships have been developed, since only then will it be possible to tell if and how key issues for the European Union such as youth employment are integrated. We welcome the fact that four pilot partnerships (on air quality, housing, urban poverty and inclusion of migrants and refugees) have already started their work. For the subsequent stages of the partnerships, it is essential to agree a high degree of commitment, for example through biannual reporting to the Commission, the Parliament and the CoR.

7. Moreover, it is important that the European Commission plays a strong and binding role in dealing with coordination. This includes the appointment of the first vice-president as coordinator of the EU Urban Agenda, who through his role would also guarantee a close link with the Better Regulation agenda. Coordinating in this way would also counteract the fragmented view of towns and cities resulting from the specialised perspective of the individual Directorates-General. “Smart cities” would then be not only technologically smart but also socially smart. A holistic approach is essential, particularly when faced with a challenge such as the influx of refugees and the corresponding need for integration. In addition, the inclusion of the Urban Agenda in the European Commission's annual work programme is another important element. This also serves the interests of transparency and the binding nature of the process.
8. Expanding impact assessments to include the urban dimension: the pilot project, launched on the initiative of the CoR and the European Commission, on territorial impact assessment, taking as an example the energy efficiency of buildings, has shown that appropriate instruments are available for including the territorial dimension in impact assessments. Last but not least, the pilot project demonstrated the great interest, willingness and ability of cities and regions to actively participate in the relevant measures and to provide the necessary input.
9. The CoR continues to call for a systematic review of ways of improving support conditions for towns and cities. The following could be considered:
  - An exchange of knowledge on coordination of and access to existing instruments and sources of funding for towns and cities at EU, national and local level.
  - Cooperation between the European Commission and towns and cities in the discussions on improving existing instruments for the urban dimension of cohesion policy, such as Integrated Territorial Investments (ITI). Opportunities for developing a specific EU support scheme for integrated urban development could also be considered in a broader context going beyond the Structural Funds, which would also be more conducive to links between the various EU programmes.
  - Involvement of urban authorities in the design and implementation of relevant promotion policies, while maintaining the possibility of experimental approaches.
  - Strengthening the European added value of the particularly high profile of EU support in cities and urban areas by focusing on a results-orientated support policy for towns and cities.
  - Preserving the flexibility of support for cities and urban areas, in order to be able to respond to unexpected challenges and needs in the future.

- Use of the Investment Advisory Hub set up at the European Investment Bank in order to be able to make systematic use of the EIB's financing instruments for towns and cities.
  - Improving the links between EU funding and private investment, obtaining funding and using financial instruments for urban areas. The financing of urban projects should be innovative and include the possibility of experimentation. Private funding should be accepted as co-financing.
  - Earliest possible involvement of towns and cities in reviewing cohesion and structural policy.
10. Due to the growing importance of the European Semester as an economic policy coordination instrument, the CoR calls for urban aspects to be duly taken into account in the framework of the European Semester.
11. The Pact of Amsterdam should lead to a binding agreement on the process of implementing the Urban Agenda. The eight partnerships which have not yet begun should be launched without delay. A timely review of the thematic list should also be planned, in order to estimate whether the partnerships take account of the main features of urban reality. Particular attention should be paid to culture as one of the key issues of European towns and cities.
12. In addition to the bodies and reporting obligations provided for in the Pact of Amsterdam, there should also be regular reports to the European Commission, the European Parliament, the Council and the CoR in order to ensure a transparent and widely accessible procedure, in which not only those directly involved but also the public at large can follow the process<sup>2</sup>.
13. In order to ensure that the Urban Agenda is as far as possible binding on future Council presidencies, the Pact of Amsterdam, after its adoption at the informal Council of Regional Ministers on 30 May 2016, should feed into the Conclusions of the General Affairs Council in June 2016. This should be combined with a call to future Council presidencies to incorporate the Urban Agenda into their respective work programmes.

There should be an initial report on the state of implementation of the partnerships by the end of 2016, under the Slovak Council presidency.

14. In order to ensure commitment to future policy development and sustainability in the context of an Urban Agenda, a White Paper should be presented that assesses and systematises the results of the partnerships and describes the elements of better governance and makes them transferable without generating new legislation. This will both ensure that the policy is binding and guarantee more transparency. The White Paper should not, however, be drawn up only after

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In preparing the opinion, the rapporteur carried out a non-representative survey on the EU Urban Agenda and the preparation of the Pact of Amsterdam, which yielded results which should inform the future work. The following conclusions can, inter alia, be drawn.

- The Urban Agenda process seems to be acknowledged and actionable, if at all, only by cities.
- There is a lack of broad participation and transparency. There is almost universal awareness of communication paths. What is lacking, however, is direct access and assistance for specific themes and issues.
- Move from consultation to cooperation.
- The twelve partnerships themes are by no means equally well known and not considered comprehensive - review, development of content, updating and/or adaptation would be advisable.

completion of the three-year duration of the partnerships: rather, in 2017 following a mid-term review, it should summarise and systematise the experience accumulated, which should feed into the preparation of new Structural Fund programming period and the post-Europe 2020 strategy.

Brussels, ...

## II. PROCEDURE

<b>Title</b>	Concrete steps for implementing the EU Urban Agenda
<b>Reference(s)</b>	Referral letter from the Dutch Presidency of the Council, dated 30 September 2015
<b>Legal basis</b>	Rule 41(b)(i) of the Rules of Procedure
<b>Procedural basis</b>	Rule 41(b)(i) of the Rules of Procedure: request from the Member State holding the Presidency of the Council
<b>Date of Council/EP referral/Date of Commission letter</b>	Date of the Dutch Presidency letter: 30 September 2015
<b>Date of Bureau/President's decision</b>	1 October 2015
<b>Commission responsible</b>	Commission for Territorial Cohesion Policy and EU Budget
<b>Rapporteur</b>	Hella Dunger-Löper (DE/PES) State Secretary, Representative of the Land of Berlin to the Federal Government with Responsibility for European Affairs
<b>Analysis</b>	20 January 2016
<b>Discussed in commission</b>	scheduled for 2 March 2016
<b>Date adopted by commission</b>	scheduled for 2 March 2016
<b>Result of the vote in commission (majority, unanimity)</b>	
<b>Date adopted in plenary</b>	scheduled for 7-8 April 2016
<b>Previous Committee opinions</b>	<ul style="list-style-type: none"> <li>– Towards an integrated urban agenda for the EU – CdR 6902/2013 fin<sup>3</sup></li> <li>– Urban-rural Partnership and Governance – CdR 2994/2013 fin<sup>4</sup></li> <li>– Communication from the Commission – Smart Cities and Communities – European Innovation Partnership – CdR 589/2013 fin<sup>5</sup></li> <li>– Future cities: environmentally and socially sustainable cities – CdR 650/2012 fin<sup>6</sup></li> </ul>
<b>Date of subsidiarity monitoring consultation</b>	

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<sup>3</sup> [OJ C 271, 19.8.2014, p. 11](#)

<sup>4</sup> [OJ C 356, 5.12.2013, p. 9](#)

<sup>5</sup> [OJ C 280, 27.9.2013, p. 27](#)

<sup>6</sup> [OJ C 277, 13.9.2012, p. 18](#)