

# ECO/196 Territorial Agenda

Brussels, 25 April 2007

# **OPINION**

of the
European Economic and Social Committee
on the
Territorial Agenda

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On 7 November 2006, the Federal Ministry for Transport, Construction and Urban Development asked the European Economic and Social Committee, on behalf of the German Presidency, to draw up an exploratory opinion on the

#### Territorial Agenda.

The Section for Economic and Monetary Union and Economic and Social Cohesion, which was responsible for preparing the Committee's work on the subject, adopted its opinion on 20 March 2007. The rapporteur was **Mr Pariza**.

At its 425th plenary session, held on 25 and 26 April 2007 (meeting of 25 April), the European Economic and Social Committee adopted the following opinion unanimously.

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#### 1. Conclusions and recommendations

- 1.1 The EESC wishes to thank the German Presidency and congratulate it on its preparatory work and on its efforts in ensuring transparency and consultation on the Territorial Agenda.
- 1.2 The EESC considers that the time has come to move beyond the current phase of informal coordination within the Council and enter a new phase based on closer political cooperation. On the basis of the work that has already been done and with the new contributions planned by ESPON, a further step towards integration should be taken, giving the Commission a clear mandate under which it can exercise its right of initiative.
- 1.3 The EESC considers that discussions on the Territorial Agenda within the Council should result in more precise policy decisions and to achieve this, greater involvement on the part of the European Commission is needed, because the Commission is better placed than anyone to ensure that the different approaches to territorial cohesion in the European Union are coherent and compatible with one another.
- 1.4 The objective of territorial cohesion at EU level requires the Commission to have a specific and robust unit analysing, assessing and presenting policy proposals that confirm the added value of a European approach to territorial cohesion.
- 1.5 The Committee proposes that continuity should be ensured when the German Presidency comes to an end. The Commission should study, synthesise and implement the Territorial Agenda by means of an action programme that respects the Member States' and regions' spatial planning competences.

- 1.6 The fourth report on cohesion currently being drawn up by the European Commission should analyse the territorial impact of Community funds and establish links between cohesion policy and the objectives of the Territorial Agenda. The EESC considers that cross-border cooperation programmes should be enhanced, once the Constitutional Treaty has been adopted.
- 1.7 Balance between the different levels of administration working on the ground local, regional, national and Community should be ensured for the Territorial Agenda's governance and organised civil society, which must be consulted in advance, should also be involved in this task.
- 1.8 The EESC proposes that the Council of Ministers engage the open method of coordination, providing precise guidelines, for the Territorial Agenda as a first step towards bringing these issues under the Community method, following approval of the Constitutional Treaty.
- 1.9 The EESC would like the EU in the near future to adopt the Constitutional Treaty, which includes the objective of territorial cohesion and proposes that, on the basis of the real consensus that exists on the Territorial Agenda, the conclusions of the Leipzig Informal Council should recommend that it is implemented gradually rather than emphasising its non-binding nature.
- 1.10 The EESC, therefore, calls on the European Commission to propose that the Council of Ministers push ahead with implementing the Territorial Agenda on the current legal bases.

# 2. Referral from the German presidency

- 2.1 On 7 November 2006, the Federal Ministry for Transport, Construction and Urban Development asked the European Economic and Social Committee, on behalf of the German Presidency, to draw up an **exploratory opinion on the Territorial Agenda.**
- 2.2 At the informal ministerial meeting on territorial cohesion and urban development that will be held in Leipzig on 24 and 25 May 2007, European ministers will adopt a policy document entitled *The Territorial Agenda of the EU* (TAEU)<sup>1</sup>, which is based on a paper entitled *The Territorial State and Perspectives of the European Union*<sup>2</sup>. This background document analyses the main spatial-planning challenges facing the EU and uses examples to illustrate ways in which the potential of Europe's territorial diversity could be better exploited for sustainable economic growth. The TAEU contains **recommendations** for the

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<sup>1</sup> http://www.bmvbs.de/territorial-agenda.

http://www.bmvbs.de/Anlage/original\_978555/The-Territorial-State-and-Perspectives-of-the-European-Union-Document.pdf.

more effective use of Europe's territorial diversity and **proposals** for a spatial-planning policy action programme.

- 2.3 Since 1995, the EESC has stated its support for closer cooperation on European spatial planning policy in the following documents:
  - Europe 2000+ Cooperation for European territorial development OJ C 133, 31.5.1995, p. 4.
  - Spatial planning and inter-regional cooperation in the Mediterranean area OJ C 133, 31.5.1995, p. 32 + Appendix (CES 629/94 fin).
  - Europe 2000+ Cooperation for European territorial development OJ C 301, 13.11.1995, p. 10.

Other, more recent opinions also support closer involvement in and greater consideration of the territorial dimension of European integration, including:

- European Metropolitan Areas: socio-economic implications for Europe's future (OJ C 302, 7.12.2004, p. 101.
- A Thematic Strategy on the Urban Environment OJ C 318, 23.12.2006, p. 86.
- The impact and consequences of structural policies on EU cohesion CESE 84/2007.
- *Housing and regional policy* CESE 42/2007.

# 3. The Territorial Agenda – turning words into action

- 3.1 The first informal meeting of ministers responsible for spatial planning and territorial policy in general was held in Nantes in 1989.
- 3.2 This type of meeting is held at the initiative of the successive six-month EU presidencies. In 1993, at the meeting held in Liege, it was decided to draw up the **European Spatial Development Perspective (ESDP)**<sup>3</sup>, which was adopted in 1999 at Potsdam and which provides a **common reference framework** for informal meetings of ministers responsible for spatial planning and territorial policy.
- 3.3 At the informal ministerial meeting on territorial cohesion held in Rotterdam in November 2004, ministers agreed to add the preparation of a summary paper entitled *The Territorial State and Perspectives of the European Union*, the document on which the Territorial Agenda is based, to the agenda.
- 3.4 The **Territorial Agenda constitutes a strategic framework** setting the priorities for the EU's territorial development. It contributes to economic growth and sustainable development by

<sup>3</sup> http://europa.eu/scadplus/leg/en/lvb/g24401.htm.

strengthening territorial cohesion, which can be defined as cohesion policy's ability to adapt to the specific needs and characteristics of geographical challenges and opportunities, in order to ensure that the EU's territory develops in a balanced and sustainable way.

- 3.5 The **objective of territorial cohesion** was incorporated into Article III-116 of the June 2003 draft Treaty establishing a Constitution for Europe, as the third dimension of economic and social cohesion. The territorial dimension of Community policies is also analysed in the Third report on cohesion, which was presented by the Commission in 2005. The Community Strategic Guidelines for cohesion, which were adopted in 2006, also include this new territorial dimension of cohesion.
- 3.6 At the informal ministerial meeting held in Luxembourg in May 2005, ministers adopted the following themes and priorities set out in the Territorial Agenda:
  - Promoting Urban Development in line with a Polycentric Model.
  - Strengthening Urban-Rural Partnership.
  - Promoting Trans-National Competitive and Innovative Regional Clusters.
  - Strengthening Trans-European Technological Networks.
  - Promoting Trans-European Risk Management.
  - Strengthening Ecological Structures and Cultural Resources.
- 3.7 **Key actions** include the following:
  - Actions for Promoting More Territorially Coherent EU Policies.
  - Actions for Providing European Tools for Territorial Cohesion.
  - Actions for Strengthening Territorial Cohesion in the Member States.
  - Joint Activities by Ministers.
- 4. The European Spatial Development Perspective (ESDP)
- 4.1 The ESDP is a **common reference framework** for the different stakeholders involved in spatial development and planning (the EU, Member States, regions and other local bodies), which supports the territorial dimension of a polycentric Europe and the much-needed "territorialisation" of EU sectoral policies. This is an intergovernmental initiative, adopted at the Potsdam ministerial meeting held in 1999 and which is not binding. In practice, the ESDP has only been implemented in the context of setting up the European Spatial Planning Observation Network (ESPON<sup>4</sup>) and, indirectly, under the three INTERREG programmes.

<sup>4</sup> http://www.espon.eu.

#### 4.2 The ESDP has the following **aims**:

- To define at EU level, the main principles of territorial action, in the aim of achieving a sustainable and balanced development of European territory.
- To contribute to the economic and social cohesion that is taking shape and becoming a reality in the territory.
- To conserve Europe's natural resources and cultural heritage.
- To ensure a more balanced competitiveness of the European territory.
- 4.3 Four **main areas** interact with one another and exert considerable pressure on territorial development:
  - Development of urban areas. More than three-quarters of Europe's population lives in cities.
  - Development of rural and mountainous areas, which cover around three-quarters of Europe's territory.
  - Transport and infrastructure distribution across the territory.
  - Conservation of Europe's natural and cultural heritage.
- 4.4 Building on the above ideas, the ESDP has established the following **guidelines**:
  - Polycentric spatial development.
  - Stronger rural-urban partnerships.
  - Parity of access to transport and telecommunications infrastructure and knowledge.
  - Prudent management of Europe's natural and cultural heritage.
- 4.5 Some **concrete measures** that have been planned are to:
  - Take account of the ESDP's policy guidelines when implementing Structural Funds and spatial planning policy in each Member State.
  - Experiment with cross-border, transnational and inter-regional cooperation under INTERREG.
  - Take account of the territorial impact of other sectoral policies, such as transport.
  - Strengthen European cooperation in the field of urban policy.
  - Launch ESPON the European Spatial Planning Observation Network.

#### 4.6 ESPON – the European Spatial Planning Observation Network

4.6.1 ESPON, the European Spatial Planning Observation Network, is an applied research programme in the field of territorial development financed by INTERREG and the Member States. The aim of the programme is to provide policy makers on the European, national and regional level with systematic and new knowledge on territorial trends and impacts of policies

that affect regions and territories within Europe, a knowledge which can directly support the formulation and implementation of policies.

- 4.6.2 All of the applied research undertaken within the ESPON programme covers the territory of 29 European countries, including the 27 Member States of the EU, as well as Norway and Switzerland.
- 4.6.3 The budget is envisaged to expand substantially, from the EUR 7 million for the period 2000-2006, the new ESPON 2013 Programme (for the period 2007-2013) now stands at EUR 34 million and could reach EUR 45 million with national contributions.

#### 5. Comments

# 5.1 Legal base and the Community method

- 5.1.1 In all territory-related issues, the added value of a common European approach is crucial. The experience gained in recent decades and the need to take account of the territorial dimension of European integration mean that policies affecting the overall European territorial approach should gradually be "communitarised".
- 5.1.2 The European Union pursues numerous Community policies that have an effect at territorial level. These include competition policy, trans-European transport networks, telecommunications and energy, environmental policy, agricultural policy, research and technological development policy, regional policy, EIB investments, etc. What the EU lacks, however, is a common approach that addresses, assesses and coordinates the implications of these policies for Europe's territory.
- 5.1.3 A common European territorial approach requires common European objectives and guidelines. The added value of these European territorial guidelines in objectives such as environmental protection, polycentric and sustainable urban development, trans-European networks and European-level plans to prevent natural, technological and climate change-related disasters is clear to see.
- 5.1.4 Under the "Community method" the Commission, on its own initiative or at the initiative of other Community bodies, draws up concrete proposals to be adopted by the Council of Ministers and, where appropriate, under the co-decision procedure with the European Parliament.
- 5.1.5 For some policies, the Council has implemented what is known as the "open method of coordination", which involves a less intense and precise form of political action than the Community method. The EESC considers that for the issues on the Territorial Agenda, the

<sup>5</sup> MEMO/02/102 – http://europa.eu/rapid/searchAction.do

open method of coordination could provide a useful first step before resorting to the Community method. The open method of coordination can be used until the adoption of the Constitutional Treaty, which allows for use of the Community method.

- 5.1.6 As European experience in other policies has shown, however, this system is only of benefit when the Commission has a very active role and when very precise objectives and guidelines are set.
- 5.1.7 Irrespective of the eventual fate of the draft Treaty establishing a Constitution for Europe, section III of which includes territorial cohesion in its title a development supported by the EESC the following articles of the Treaty currently in force (TEC) should serve as the legal base for drawing up a common European territorial approach, if it is accepted that this remains a competence of the European Union:
  - Article 2 states that "The Community shall have as its task... to promote throughout the Community a harmonious, balanced and sustainable development of economic activities".
  - Article 16 refers to social and territorial cohesion in the context of services of general economic interest.
  - Article 71 in the context of a common transport policy.
  - Article 158 states that: "In order to promote its overall harmonious development, the Community shall develop and pursue its actions leading to the strengthening of its economic and social cohesion".
  - Article 175(2)(b) states that the Council shall, on a proposal from the Commission, adopt measures affecting town and country planning.

#### 5.2 **Regional policy**

- 5.2.1 Community regional policy is a key instrument supporting economic and social cohesion, economic convergence and, in general, the process of European integration.
- 5.2.2 The EESC has always supported this policy, which aims with success to reduce disparities between European regions.
- 5.2.3 This regional policy, which is one of the most successful of all Community policies, must remain in operation, given the new disparities that exist as a result of the enlargement process.
- 5.2.4 This regional policy is not incompatible indeed quite the opposite with an effective territorial cohesion policy, as proposed in the Territorial Agenda, which is to be implemented under the new 2007-2013 period.

# 5.3 **Enlargement**

- 5.3.1 The two latest rounds of enlargement have created new challenges for the European territory, which since 2004 has increased from 15 to 27 Member States, with its population increasing by 28% (from 382 to 490 million inhabitants) and its territory by 34% (from 3.2 to 4.3 million km²). This new dimension and the diversification of the EU's territorial characteristics mean that there is an urgent need for an overview of this territorial and geographical situation and of potential changes to it.
- 5.3.2 The two latest rounds of enlargement represent a major territorial challenge, which the European Commission must analyse thoroughly.
- 5.3.3 The number of internal and external border regions has increased considerably. Border regions present a challenge and also a genuine opportunity for the process of integration to produce real change.

#### 5.4 Europe's territory

- 5.4.1 The challenges and risks affecting Europe's territory must be addressed by means of a European approach. The added value of a shared vision of the European territory is undeniable and a shared vision of this nature should be acknowledged to be a key strategic need.
- 5.4.2 It is worth highlighting some characteristics of this territory. It is:
  - **continuous:** it has no borders:
  - **finite:** it is not renewable;
  - **diverse:** it is not homogeneous;
  - **stable:** it does not change suddenly;
  - vulnerable: it is not free from risk and disaster;
  - **irreversible:** it cannot easily change use.

As a physical and geographical entity, the territory is thus of fundamental strategic importance. The Commission's impact assessments should include this territorial approach, which would require cooperation with ESPON.

#### 5.5 **Governance**

5.5.1 The EU should have an appropriate system of governance, in which the right balance is struck between the different levels of territorial government, because within European territory, local, regional, national and EU-level governments all play a role. The principle of

subsidiarity must be respected, whilst guaranteeing coherence and a holistic, common and shared approach.

5.5.2 Civil society should also participate at the different levels through the structured procedures for social and civil dialogue. Many Member States and many European regions now have economic and social councils (or similar bodies) which should be engaged so that, in conjunction with the social partners and other civil society organisations, they play an active role in the systems for consultation and governance with regard to territorial affairs.

#### 6. The Territorial Agenda: The Territorial State and Perspectives of the European Union

- 6.1 The Territorial Agenda is based on the document entitled *The Territorial State and Perspectives of the European Union* which, rather than a summary document, is one to which successive six-month presidencies have added their different contributions. The document gives a 197-point presentation of all the challenges facing the territory and is thus an extremely useful guide, on the basis of which the Commission should propose an action plan.
- 6.2 The Territorial Agenda should incorporate Member States' territorial strategies, take account of the territorial dimension of other Community policies and seek out areas of complementarity and synergy in order to achieve a European synthesis, by means of guidelines for a territorial strategy for the EU, which are set out in point 8.
- 6.3 Development of the EU's Territorial Agenda should focus on an approach based on economic, social and environmental sustainability.

# 7. Territorial Agenda objectives

#### 7.1 **Territorial cohesion**

- 7.1.1 Territorial cohesion aims to introduce a European territorial approach that provides a framework for and renders compatible the territorial strategies drawn up and implemented by the Member States and regions.
- 7.1.2 Territorial cohesion should focus on the issues that affect territorial planning, first of all, and secondly, urban and regional planning. As stated by CEMAT<sup>6</sup> in 1994, spatial planning is the ideal instrument for implementing sustainable development at territorial level.
- 7.1.3 Efforts must therefore be made to clarify the concept, methodology and terminology of spatial planning. Spatial planning is a multidisciplinary approach and is a cross-cutting priority that affects a range of issues, especially the environment, transport and communications, housing and human and industrial settlements, etc.

The Council of Europe's European Conference of Ministers responsible for Regional Planning.

#### 7.2 Economic and social cohesion

- 7.2.1 In line with the Lisbon strategy, the EESC proposes that more balanced economic development should be ensured for the European territory to the benefit of all of its citizens and regions, including regions with permanent natural and structural handicaps<sup>7</sup>.
- 7.2.2 All European policies should promote the objective of social cohesion. The EESC proposes that the Territorial Agenda's objectives include those of social cohesion, because the European territory is where people live, where they find opportunities and where they face their problems.
- 7.2.3 The polycentric development of urban and metropolitan areas and a constructive relationship between these and peripheral and rural areas can help to achieve greater economic and social balance in Europe. Combating poverty and social exclusion, integrating immigrants<sup>8</sup>, boosting housing policy, equal opportunities and establishing high-quality public services should also form some of the basic aims of the territorial approach.

# 7.3 Climate change and natural risks

- 7.3.1 All of the most recent reports on climate change draw attention to the gravity of the problem. Global warming is clearly a fact and not a matter of opinion. Many effects of climate change are beginning to appear on the ground. Spatial planning must take up this new challenge in an attempt to mitigate and remedy some of the effects that climate change is having on the territory.
- 7.3.2 A European plan for dealing with risks and natural disasters must be drawn up. This is not a question of writing science fiction. The recent report by the economist Sir Nicholas Stern<sup>9</sup>, commissioned by the British government, starkly illustrates what is at stake for the planet: at least 1% of the world's GDP would need to be invested in the fight against climate change to prevent global costs and risks of climate change from causing a loss of 5% in world GDP, a figure that could reach 20% if the most harmful effects of warming continue to worsen at their current pace.
- 7.3.3 Climate change could have a detrimental effect on cohesion and competitiveness, on the quality of life and on sustainable development sooner than has been predicted to date, as

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EESC opinion on *How to achieve better integration of regions suffering from permanent natural and structural handicaps* – OJ C 221, 8, 9,2005, p.141.

<sup>8</sup> EESC opinion on *Immigration in the EU and integration policies: cooperation between regional and local governments and civil society organisations* - OJ C 318, 23.12.2006, p.128.

STERN report – Sir Nicholas Stern – 30.12.2006 – "Stern Review executive summary" – New Economics Foundation.

confirmed in the recent report by the United Nations' panel of experts on climate change, which was presented in Paris on 2 February 2007. The EESC proposes that account be taken of the effects of climate change on spatial planning.

7.3.4 The risks to be considered should include those caused by technological disasters (radioactive, chemical or bacteriological crises) caused by accidents or terrorist attacks and provision should be made for the potential mass displacement of the population.

# 7.4 Trans-European Networks

- 7.4.1 The idea of Trans-European Transport Networks (TEN-T) was first mooted in the late 1980s, in the context of the single market. Talk of the single market and freedom of movement only made sense if the different national and regional transport networks were linked to one another by means of a modern and efficient Europe-wide infrastructure system.
- 7.4.2 Since 1992, Title XV of the Treaty (Articles 154, 155 and 156) has been dedicated to Trans-European Networks. The record of the last fifteen years is disappointing, even alarming. Funding difficulties and lack of political will partially explain this poor record. The EESC regrets the fact that governments have consigned to political oblivion the 2003 Initiative for Growth<sup>10</sup>, which included the construction of major trans-European networks. The EESC would ask: to what extent does the absence of an overview of European territory and its infrastructure account for the poor record of the Trans-European transport, telecommunications and energy networks?
- 7.4.3 One of the basic objectives that the EESC wishes to highlight is that all individuals and all regions should have proper access and links to transport networks, through a balanced pan-European network that has good connections to small towns, rural areas and island regions.
- 7.4.4 Europe today does not have an adequate energy network (for electricity, oil and gas). The lack of such a network could seriously undermine economic activity, and leads to unequal opportunities for the regions and territories that do not currently enjoy access to these networks.
- 7.4.5 European energy policy must take on board the territorial approach both in order to protect natural resources and to ensure social and territorial cohesion.
- 7.4.6 To implement the Lisbon Strategy too, all territories and all citizens should have access to the information society and its networks, free movement of knowledge and training. The EU Territorial Agenda should consider this to be a priority approach.

<sup>10</sup> Conclusions of the Brussels European Council, 12 December 2003, points 2, 3, 4 and 5.

# 7.5 **Environmental protection**

- 7.5.1 The aim of protecting Europe's physical and natural environment and biodiversity can only be achieved if a common political approach is adopted across the territory. From this point of view, European added value is crucial.
- 7.5.2 The Territorial Agenda should form the basis for a new, more effective policy for protecting the environment and for preserving biodiversity<sup>11</sup>.

# 7.6 **Cultural heritage**

- 7.6.1 Europe has a cultural heritage of enormous importance, which the EU must protect. Europe's regions offer great cultural diversity, which forms the cornerstone of Europeans' history and identity.
- 7.6.2 The Territorial Agenda should support the conservation of this rich and diverse cultural heritage, which should also be promoted as an endogenous factor for economic development and social cohesion.

# 8. Guidelines for an EU territorial strategy

- 8.1 The guidelines for an EU territorial strategy should endeavour to achieve maximum economic efficiency, social cohesion and environmental sustainability, whilst respecting the principles of subsidiarity and proportionality.
- 8.2 Without impinging on the competences of Member States' and regions' spatial planning policies, the guidelines for a sustainable territorial strategy for the Community territory constitute a reference framework for the European territory that must provide content and meaning for territorial cohesion.
- 8.3 The guidelines for a territorial strategy to achieve economic, social and territorial cohesion should, as a matter of priority, address:
  - a European approach to the transport and communications infrastructure that makes the Trans-European Transport Networks (TEN-T) possible;
  - a European approach to energy policy and, in particular, to the Trans-European Energy Networks (TEN-E);

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EESC opinion on the Communication from the Commission on Halting the loss of biodiversity by 2010 - and beyond - Sustaining ecosystem services for human well-being COM(2006) 216 final – OJ C.

- a European approach to protecting and conserving the physical and natural environment, paying particular attention to natural biodiversity and cultural wealth;
- a European approach to combating the detrimental effects of climate change and, by means of a common policy, potential risks and disasters on European territory;
- a polycentric and sustainable approach to regional and urban planning.

Brussels, 25 April 2007.

The President
of the
European Economic and Social Committee

The Secretary-General of the European Economic and Social Committee

**Dimitris Dimitriadis** 

Patrick Venturini