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# REPORT

on the urban dimension of EU policies  
(2014/2213(INI))

Committee on Regional Development

Rapporteur: Kerstin Westphal

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## MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

### on the urban dimension of EU policies (2014/2213(INI))

*The European Parliament,*

- having regard to the Treaty on the Functioning of the European Union and in particular Title XVIII thereof,
- having regard to Regulation (EU) No 1303/2013 of the European Parliament and of the Council of 17 December 2013 laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund and repealing Council Regulation (EC) No 1083/2006<sup>1</sup>,
- having regard to Regulation (EU) No 1301/2013 of the European Parliament and of the Council of 17 December 2013 on the European Regional Development Fund and on specific provisions concerning the Investment for growth and jobs goal and repealing Regulation (EC) No 1080/2006<sup>2</sup>,
- having regard to Regulation (EU) No 1299/2013 of the European Parliament and of the Council of 17 December 2013 on specific provisions for the support from the European Regional Development Fund to the European territorial cooperation goal<sup>3</sup>,
- having regard to its resolution of 23 June 2011 on the European urban agenda and its future in cohesion policy<sup>4</sup>,
- having regard to its resolution of 21 February 2008 on the follow-up of the Territorial Agenda and the Leipzig Charter: Towards a European Action Programme for Spatial Development and Territorial Cohesion<sup>5</sup>,
- having regard to the Communication from the Commission of 18 July 2014 on the urban dimension of EU policies – key features of an EU urban agenda (COM(2014)0490),
- having regard to the Communication from the Commission of 18 June 2014 on the Regulatory Fitness and Performance Programme (REFIT): State of Play and Outlook (COM(2014)0368),
- having regard to the Communication from the Commission of 3 March 2010 on Europe

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<sup>1</sup> OJ L 347, 20.12.2013, p. 320.

<sup>2</sup> OJ L 347, 20.12.2013, p. 289.

<sup>3</sup> OJ L 347, 20.12.2013, p. 259.

<sup>4</sup> OJ C 390E, 18.12.2012, p.10.

<sup>5</sup> OJ C 184E, 6.8.2009, p. 95.

- 2020 – A strategy for smart, sustainable and inclusive growth (COM(2010)2020),
- having regard to the Communication from the Commission of 10 July 2012 entitled ‘Smart cities and communities – European innovation partnership’ (COM(2012)4701),
  - having regard to the Communication from the Commission of 28 October 1998 on Sustainable Urban Development in the European Union: A Framework for Action (COM(1998)0605),
  - having regard to the Communication from the Commission of 6 May 1997 entitled ‘Towards an urban agenda in the European Union’ (COM(1997)0197),
  - having regard to the Commission’s sixth report on ‘Economic, social and territorial cohesion: Investment for jobs and growth – Promoting development and good governance in EU regions and cities’, July 2014,
  - having regard to the Commission’s report entitled ‘Cities of tomorrow: Investing in Europe’, Brussels, 17-18 February 2014,
  - having regard to the Commission’s report entitled ‘Digital Futures – a journey into 2050 visions and policy challenges, cities, villages and communities’, 2014,
  - having regard to the Commission’s report entitled ‘Cities of tomorrow: Challenges, visions, way forward’, Brussels, October 2011,
  - having regard to the Declaration of Ministers towards the EU Urban Agenda, adopted at the Informal Meeting of EU Ministers Responsible for Territorial Cohesion and Urban Matters of 10 June 2015 in Riga,
  - having regard to the Council conclusions adopted in Brussels on 19 November 2014 on the sixth report on ‘Economic, social and territorial cohesion: Investment for jobs and growth’,
  - having regard to the Presidency Conclusions adopted at the Informal Meeting of Ministers responsible for cohesion policy of 24-25 April 2014 in Athens,
  - having regard to the Polish Presidency Conclusions on the territorial dimension of EU policies and the future cohesion policy, adopted at the Informal Meeting of Ministers responsible for EU cohesion policy, territorial and urban development of 24-25 November 2011 in Poznan,
  - having regard to the Territorial agenda of the EU 2020, agreed at the Informal Ministerial Meeting of Ministers responsible for Spatial Planning and Territorial Development of 19 May 2011 in Gödöllő,
  - having regard to the Toledo Declaration, adopted at the Informal Council Meeting of Ministers on urban development of 22 June 2010 in Toledo,
  - having regard to the Leipzig Charter on sustainable European cities, adopted at the Informal Council Meeting of Ministers on urban development of 24-25 May 2007 in

Leipzig,

- having regard to the opinion of the Committee of the Regions of 25 June 2014 on ‘Towards an Integrated Urban Agenda for the EU’,
  - having regard to the opinion of 23 April 2015 of the European Economic and Social Committee (EESC) on the Communication from the Commission entitled ‘The urban dimension of EU policies – key features of an EU urban agenda’ (COM(2014)0490),
  - having regard to Rule 52 of its Rules of Procedure,
  - having regard to the report of the Committee on Regional Development and the opinion of the Committee on Employment and Social Affairs (A8-0000/2015),
- A. whereas in 2014 half the world population<sup>1</sup> and 72 % of the European population were living in urban areas<sup>2</sup>, and by the year 2050 nearly 80 % of the earth’s population will reside in urban areas<sup>3</sup>;
- B. whereas functional urban areas in the EU comprise a unique polycentric structure built around large, medium-sized and small towns, cities and their surrounding areas, thus going beyond the traditional administrative borders to encompass various territories linked by their economic, social, environmental and demographic challenges;
- C. whereas cities, towns and functional urban areas, such as metropolitan areas, not only play an important role in participatory democracy but are also key economic pillars and drivers of jobs for the EU given that innovation and new economic activities often have their origins in the city; whereas they are therefore a major asset for the EU in its relations with other parts of the world but they are also the key areas in which barriers to growth and employment need to be overcome and social exclusion (for example, poorly trained young people in the labour market), lack of accessibility and the degradation of the environment need to be tackled;
- D. whereas cities, towns, functional urban areas and regions are responsible for the biggest proportion of energy consumption and greenhouse gas emissions in the EU; whereas, on the other hand, they play a key role in the achievement of improved energy efficiency and self-sufficiency and in the development of new initiatives (such as new forms of economic activity) to encourage urban mobility and competitive, environmentally friendly transport systems, thus promoting growth, employment, social and territorial cohesion, health, safety and security;
- E. whereas some cities are seeing their population age and decline, and face problems due to the scale of the facilities and public services they provide, and others have a growing population, which increases pressure on existing facilities and public services (for example, education) and exacerbates other problems such as (youth) unemployment, social exclusion, traffic congestion, urban sprawl and pollution, which significantly

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<sup>1</sup> Parag Khanna, Beyond City Limits, Foreign Policy, 6 August 2010.

<sup>2</sup> Eurostat - City Statistics, 2014.

<sup>3</sup> The Vertical Farm, [www.verticalfarm.com](http://www.verticalfarm.com).

increase commuting time and reduce the quality of life of many Europeans;

- F. whereas some of the main challenges which cities face, relating to economic and social development, climate change, transport and demographic change, can only be tackled through partnerships between the cities and their surrounding areas; whereas the expansion of interlinked areas in recent years, due to developments in the fields of transport and communications in particular, creates a need for the development of tools to promote connectivity;
- G. whereas European policy initiatives have a direct or indirect impact on the sustainable development of cities and urban policy;
- H. whereas around 70 % of European policies and legislation are implemented at local and regional level;
- I. whereas more consistency should be ensured at EU level between different EU policy initiatives and subsidy programmes by making full use of the Common Strategic Framework (Title II, Chapter I, Article 10 of Regulation (EU) No 1303/2013 – Common Provision Regulation) and through better political coordination among and with stakeholders and tiers of government, as the sectoral approach of EU policy can lead to policies and legislation that may not favour functional urban areas;
- J. whereas in 1997 the Commission published a Communication on an urban agenda for the EU<sup>1</sup>, but the role of Europe's cities in EU policymaking is still under discussion;
- K. whereas in the past, Parliament supported the Commission's proposal to present an 'Urban Agenda' as a framework for future urban policy at European level;
- L. whereas subsidiarity, as defined in the TFEU, as well as multi-level governance, based on coordinated action by the EU, the Member States and regional and local authorities, and the partnership principle, are essential elements for the correct implementation of all EU policies, and whereas engagement of the resources and competences of local and regional authorities should be reinforced accordingly;
- M. whereas the European Regional Development Fund (ERDF) regulation (Regulation (EU) No 1301/2013) reinforces the urban dimension of the European Structural and Investment Funds (ESIF) by allocating at least 5 % of its financial support to integrated actions for sustainable urban development through the delegation of management tasks to urban authorities, in particular giving them more responsibilities for tasks related at least to the selection of operations by creating tools such as integrated territorial investments (ITIs) and community-led local development (CLLD), by allocating a specific budget for 'innovative actions' in order to test new solutions in relation to sustainable urban development, and by establishing an urban development network;
- N. whereas the partnership principle laid down in the Common Provision Regulation (Regulation (EC) No 1303/2013) and the European Code of Conduct obliges the

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<sup>1</sup> Communication from the Commission of 6 May 1997, 'Towards an urban agenda in the European Union' (COM(1997)0197).

Member States to ensure the early involvement of urban authorities in the EU policymaking process;

### **The urban dimension of EU policies**

1. Is of the opinion that EU policies should support and enable towns, cities and functional urban areas to express and attain their full potential as motors of economic growth, employment, social inclusion and sustainable development; believes, therefore, that these towns, cities and functional urban areas need to be more closely associated with the entire European policymaking cycle;
2. Asks the Commission and, where appropriate, the Member States to propose ways to introduce an early warning mechanism by adapting available tools and in accordance with Article 6 of the Protocol on the Application of the Principles of Subsidiarity and Proportionality, giving the subnational government the possibility to observe whether the principles of subsidiarity and proportionality have been taken into account, allowing subnational governments to be involved in the policy processes from an early stage and allowing for well-informed territorial development strategies and more efficient implementation of future legislation;

### **Towards an integrated European Urban Agenda**

3. Welcomes the initiative of the Commission to work towards a European Urban Agenda; supports its establishment as a coherent framework for EU policies with an urban dimension aiming to better link urban solutions with EU challenges, to better adjust sectoral policies and levels of governance, to better target EU funding to the relevant urban challenges and to better assess the territorial impact of sectoral policies; believes that the European Urban Agenda should in particular promote the development of governance solutions best geared to successfully meeting the challenges and objectives of sustainable, economic and socially inclusive development of towns, cities and functional urban areas in Europe;
4. Recognises that although there is no explicit EU competence on urban development, a broad range of EU initiatives impact directly/indirectly on towns, cities and functional urban areas; is therefore of the opinion that well-developed and established national and regional urban policies are a prerequisite for a European Urban Agenda; considers that the latter should constitute a strategy addressing towns, cities and functional urban areas in the EU that, in the long term, would develop into an urban policy at EU level; underlines in this context that urban territorial development should be based on balanced territorial organisation with a polycentric urban structure in line with the EU Territorial Agenda 2020;
5. Is convinced that the European Urban Agenda should be a joint effort by the Commission, the Member States, the local authorities and other stakeholders to rationalise, coordinate and implement EU policies with an urban dimension through a practical, integrated and coordinated, yet flexible, approach, ‘in and with’ the towns, cities and functional urban areas, taking account of the local territorial specificities and respecting each Member State’s institutional architecture;

6. Believes that a European Urban Agenda should be fully in line with the EU's overall objectives and strategy, particularly Europe 2020, and the objectives of territorial cohesion; stresses that administrative borders are becoming less and less pertinent when trying to address development challenges at regional and local level; believes, therefore, that the European Urban Agenda should be inclusive and take clear account of the diversity of territorial entities in the EU and the cross-border and rural-urban linkages, including the services that functional urban areas provide for their surrounding countryside;
7. Urges the Commission to come up with a communication detailing the features of the future European Urban Agenda, based on the 'urban acquis' and the extensive consultation with various stakeholders, including economic and social partners and civil society organisations; asks the Commission to include the European Urban Agenda in its annual work programme;

### **Mainstreaming of an integrated territorial development approach into EU policymaking and legislation**

8. Calls on the Commission to apply a more place-based integrated territorial approach when conceptualising new policy initiatives aimed at urban areas, in order to ensure consistency and to empower towns, cities, and functional urban areas to deliver the Europe 2020 objectives of smart, sustainable and inclusive growth, by, inter alia, implementing an integrated EU approach to support smart and sustainable projects in European cities, helping to promote social and economic development;
9. Asks the Commission to introduce, as a general rule, a territorial impact assessment on the urban dimension in order to ensure the practical feasibility of all relevant EU policy initiatives at regional and local level, to be receptive to the input from decentralised levels of government when drawing up impact assessments and new policies ('bottom-up approach') and to make sure that all relevant sectoral EU policies adequately address the challenges that towns, cities and functional urban areas face; calls on the Commission to concentrate these territorial impact assessments on the following elements: balanced territorial development, territorial integration, aspects of governance, regulation, implementation at local level, and coherence with other policy objectives;
10. Urges the Commission to systematise and analyse all available data and shared conceptual frameworks ('urban acquis') in order to prevent duplication and inconsistencies and provide a clear definition of integrated sustainable urban development and thus identify the common coherent and transparent EU objectives in this area;
11. Is convinced that in order to be able to assess urban areas more accurately than just on the basis of the GDP indicator, sufficient data must be made available; believes, therefore, that Eurostat should provide and compile more detailed local data and that work should continue on the Urban Audit and similar surveys; calls also on the Commission to work on instruments that could measure the progress and impact of an integrated urban agenda at EU level;



12. Encourages the Commission to reduce the red tape related to the implementation of current EU legislation at local level, and to ensure that all future regulation thoroughly analyses the consequences of its implementation at local level;

### **The urban dimension of EU policy instruments and funding**

13. Recalls that the EU's Cohesion Policy and its financial instruments are better equipped to support complex integrated territorial strategies for functional urban areas through shared strategic planning and rules; encourages Member States to make full use of the available new instruments such as ITIs and CLLD, as well as of the new flexible operational programmes (OPs), in order to successfully support the implementation of integrated urban development plans; encourages Member States and the Commission to draw up a coherent set of appropriate indicators to better assess the urban dimension of the implemented operations and initiatives funded by European Structural and Investment Funds;
14. Highlights the need to exploit to a maximum extent the potential of the macro-regional strategies for successful implementation of the integrated urban approach; calls on the Commission to adequately include and integrate aspects of the European Urban Agenda and to stress the urban dimension within EU macro-regional strategies which represent a model for planning and multi-level governance;
15. Regrets that, although the new cohesion policy has legally binding urban-related aspects, especially regarding involvement of cities in the programming phase, the actual participation of city and urban representatives in the shaping of the policy is weak, and believes it can be improved by an early involvement in the policy processes, for example through consultation, evaluation and exchange of best practices and experiences; calls on the Commission and the Member States to ensure the application of the partnership principle (also taking into account the European code of conduct on partnership (Article 5.3 of the Common Provision Regulation (1303/2013)) when implementing programmes and projects supported by EU funding, with particular attention being given to the involvement of cities, towns and functional urban areas in the preparation, management and governance of the programmes, including at cross-border level;
16. Calls for greater involvement of towns and cities in the Structural and Investment Funds' programmes; believes that the lessons drawn from this could feed into an important policy recommendation for the development of cohesion policy after 2020; in this context, calls on the Commission to test the implementation of the European Urban Agenda in selected thematic fields, reflecting the challenges of urban areas ('urban pilot projects'), in particular by ensuring the cross-sectoral coordination of different EU policies, removing existing overlaps and applying the multi-level governance model and conducting territorial impact assessments; asks the Commission to report to Parliament on the progress and results in this respect on a regular basis;
17. Asks for better coordination and integration of EU investment policies having the potential to ensure sustainable, integrated and socially inclusive urban development; urges the Commission and the Member States to make full use of the regulatory

framework to create synergies between the European Fund for Strategic Investment (EFSI), the EU subsidised programmes (such as LIFE, Horizon 2020, Intelligent Energy Europe, etc.) and cohesion policy funds, as well as public (i.e. national) investments, private capital and financial instruments in order to obtain the greatest leverage effect of invested funds; underlines the need to ensure complementarity of all investment policies and enhanced synergy, and to avoid double financing and overlaps;

### **A new model of multi-level governance**

18. Recalls that today's key economic, social and environmental challenges transcend traditional administrative boundaries, and the growing mismatch between administrative and territorial structures (urban and peri-urban cooperation, urban-rural cooperation, etc.) requires new forms of flexible governance in order to continue the integrated territorial development of functional areas;
19. Believes that the European Urban Agenda should be based on a new multi-level governance method, involving the local level more closely at all stages of the policy cycle, thus bringing the policies closer to the realities and making them more consistent with and responsive to the constant transformations in functional urban areas; takes the view, in that connection, that the Committee of the Regions, as the body representing regional and local authorities, should play a role in that process;
20. Urges the Commission to suggest elements for a new model of multi-level governance based on partnerships and genuine collaboration, going beyond simple stakeholder consultations, a model combining formal governmental structures with informal flexible governance structures that correspond to the new realities of the digitalised 'network' society, and which is adapted to the scale at which the challenges exist, a model which improves multi-level cooperation, both vertical and horizontal, with governmental and non-governmental actors at local, regional, national and European level, thus bringing government closer to the citizens and improving the democratic legitimacy of the European project; recommends that this 'sui generis' tailor-made model become the working method of the future European Urban Agenda after its acceptance by the partners and after consulting all relevant stakeholders;

### **Knowledge management and data sharing**

21. Is of the opinion that urban platforms and networks (such as URBACT, the Urban Development Network) and 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) have provided an excellent opportunity for the engagement of local regional and cross-border actors in urban development and knowledge-sharing between actors; urges the Commission to consolidate and ensure better coordination between these platforms in order to allow local actors to better understand them and engage with them in a more efficient way;
22. Urges the Commission and the Member States to make the most out of the knowledge-sharing and capacity-building activities that EU-funded projects and other networking

activities between cities provide; encourages the Commission to develop mechanisms for better project result sharing throughout its services and to make sure that the results feed into both national and EU-level policy developments;

23. Believes that in order to formulate better-tailored policies the Urban Audit Database needs to be updated and improved; encourages Eurostat and the Commission to provide and compile more detailed data, collected where policies are implemented – in many cases at local level; underlines that the collection of flow data – measuring the relationships between cities and their surrounding areas and within functional urban areas – is also becoming increasingly important in order to improve the understanding of these complex functional areas, and therefore urges the Commission to gather and analyse that data, turning it into evidence for policy developments;

### **Implementing the future European Urban Agenda**

24. Believes that in order for the European Urban Agenda to be an effective tool it should be a shared and regularly updated conceptual framework with a thematic focus on a limited number of challenges in the larger context of the Europe 2020 goals of smart, inclusive and sustainable growth;
25. Strongly believes that these challenges should respond to the following criteria: 1) are in line with the shared conceptual framework; 2) are major urban challenges with significant impact on cities, towns and functional urban areas in and between Member States; 3) cannot be solved by Member States unilaterally; 4) where an EU approach has a clear added value; asks the Commission to start working on mapping such challenges, but also identifying remaining bottlenecks, policy incoherencies or capacity and knowledge gaps, in close cooperation with all relevant stakeholders, particularly those at local level;
26. Urges the Commission and the Member States to make sure that a higher degree of cross-sector coordination of policies with an urban dimension is ensured at all levels of government to allow better mainstreaming of integrated urban development; calls on the Directorate-General for Regional and Urban Policy (DG REGIO), responsible for the EU's urban policies, in close cooperation with the Commission's existing Inter-service Group on 'Urban Development', to drive this process and to make sure that the urban dimension is taken into account in all relevant new initiatives; asks the President of the European Commission to appoint a political lead within the College of Commissioners to give strategic direction to the Urban Agenda of European policies and to report annually to Parliament on the Urban Agenda;
27. Asks the Commission to designate a special EU urban coordinator, based on already existing services or bodies within the Commission, to monitor and evaluate the practical implementation of such coordination in a horizontal (engaging all relevant policy sectors) and vertical (engaging all levels of government) manner; is of the opinion that the special EU urban coordinator should, with the help of the Commission's Inter-service Group on 'Urban Development', establish a 'one-stop shop' on urban policies within the Commission and ensure the proper collection, management and dissemination of data on urban policies within and between Commission services and

with various stakeholders in such a way as to establish an awareness-raising mechanism for early warning and early stage involvement of local and regional authorities in policy processes with an impact on towns, cities and functional urban areas;

28. Encourages the Commission to develop, while using the existing structures and, for example, as part of the ‘urban pilot project’, single points of information in Member States on the urban dimension of EU policies (Urban One-Stop Shops), with the aim of providing comprehensive information in particular on different EU initiatives, guidelines and financial possibilities in relation to urban development;
29. Calls on the Commission to hold a regular urban summit drawing on the ‘Cities of tomorrow’ forum, bringing stakeholders from all levels of governance and different sectors together; believes that such summits should provide a real opportunity for cities to engage in a constructive dialogue with policymakers across the relevant policy areas and should help assess the impact of EU policies on towns, cities and functional urban areas and how best to involve them in the forthcoming initiatives;
30. Urges Member States to fully associate cities and functional urban areas with, and involve them in a binding manner in, strategic policy development and programming (such as national reform programmes, partnership agreements and operational programmes); calls on the Member States to strengthen their exchange of experience on national programmes for urban development, which empowers cities to deliver the Europe 2020 objectives, by setting regular informal Council meetings of ministers in charge of urban development;

#### **External dimension of the European Urban Agenda**

31. Urges the Commission and the Member States to take full account of the ongoing preparatory works for the Habitat III agenda and to ensure that the future European Urban Agenda is fully compatible and coordinated with the goals and objectives of this global urban agenda; asks the Commission to regularly inform Parliament about the external dimension of the European Urban Agenda and believes that the urban agenda could become the EU contribution to the international debate on the United Nations’ ‘New Urban Agenda’ and the Habitat III conference on Housing and Sustainable Urban Development in 2016;
32. Believes that there should be a clear, coherent and open engagement of the EU and the Member States, with consultation and contribution of local and regional authorities, at the International Standards Organisation (ISO) regarding the development of new standards for sustainable urban development, respecting the work on UN universal guidelines for urban and territorial planning; stresses that the new ISO standards should be seen as a supportive and not a normative tool;
33. Instructs its President to forward this resolution to the Council, the Commission and the national parliaments.

## EXPLANATORY STATEMENT

### Urbanisation in Europe and worldwide

More and more people are living in cities<sup>1</sup>, in Europe and worldwide. This trend is being hastened most of all by population growth and new technology.

In 1950 only 50.5% of the population of Europe lived in urban areas. By 2014 the figure was 72% and by 2030 it could be 78%. Worldwide the population living in urban areas is expected to have doubled from 29% in 1950 to 59.9% in 2030, and in 2050 it is likely that 80% of the world's population will live in cities.<sup>2</sup> The rising population in cities is already presenting not just local and regional but also national and European policy makers with new challenges in order to meet the economic, social and cultural needs of increasing numbers of urban dwellers.

The purpose of this own-initiative report is to examine the urban policy challenges for EU policy makers and to devise guidelines and boundaries for a future sustainable EU urban development policy.

The central questions this report addresses are: What scope for action does the EU possess in urban policy? How is EU policy currently impacting on cities, and what impact should it have in future? How can the coordination and coherence of EU urban policy be improved?

To some extent these questions are also to be found in the Commission communication entitled 'The Urban Dimension of EU Policies – Key Features of an EU Urban Agenda', published in July 2014.<sup>3</sup> The communication contains a description of the situation of cities and urban policy in the EU Member States, a proposal for an EU Urban Agenda, and a consultation with stakeholders on this topic.

### Every city is different

There is no single European model for a city. The structure of Europe features many urban centres, which often play an important role at regional level. Almost half of Europeans (some 200 million) live in cities with less than 100 000 inhabitants.

To obtain more accurate data covering the geographical area of the EU at local and regional level and to be better able to observe and compare developments in cities, in 2012 Eurostat and the OECD devised new typologies on the basis of population size and density and of commuter flows.<sup>4</sup> (FUA= Functional Urban Area, LUZ=Larger Urban Zone).

Science is seeking to develop universally valid criteria, functional analyses and specific features to define what goes to make up a city.

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<sup>1</sup> The precise definition of 'town/city' and 'urban area' differs from one country to another. In this document the terms are interchangeable and are used to denote all forms of urban settlement.

<sup>2</sup> United Nations, World urbanization prospects, The 2005 Revision working paper NO ESA/P/WP/200.

<sup>3</sup> 'The urban dimension of EU policies – key features of an EU urban agenda', COM(2014) 490.

<sup>4</sup> Dijkstra, Poelman, Cities in Europe the new OECD-EC definition, DG Regio, Regional Focus 01/2012

“A space where two actors from different worlds encounter each other, this can be a firm, an individual or a NGO. But there are no established rules governing that encounter. The city is a space that has a bit of anarchy.”<sup>1</sup>

“Because cities are complex and incomplete, they have outlived empires, kingdoms, republics, dictatorships, multinational corporations, financial firms. In the incompleteness lies the openness, bringing stuff in, urbanising”<sup>2</sup>.

It is principally exchange of information and efficient allocation of resources which make cities into factories for thinking and engines of the economy. As few as 100 ‘global cities’ account for 30 % of the world’s economy<sup>3</sup>, and in the EU urban areas produce two-thirds of GDP. However there are also major differences from one Member State to another as regards the economic structure of individual cities.

In her report, the rapporteur wishes to take into account all types of cities and functional urban areas.

### **Challenges for tomorrow’s cities**

In a report on the future of cities in 2050, the Commission states:

“Cities” will grow into megacities, which will be highly vascularized by eco-friendly and energy-sustainable transportation means, and filled with new dwellings and buildings made from innovative construction materials. All elements of the city will be connected to a higher supra-network, the future Internet, on which a whole new service-economy will thrive. Cities throughout Europe will compete among each other as places to be, developing their own forms of participatory citizenship to drive a continuous co-creation of the city-scape and its multi-cultural social fabric.<sup>4</sup>

Economic growth and decision-making and administrative structures in cities are frequently mentioned as challenges for tomorrow’s cities.

The economic growth of cities will come to depend more and more on the global economic situation, technological progress and infrastructure. Economic, social and environmental themes are increasingly crossing the boundaries of traditional cities. There are many challenges that cities can only resolve in a national or international context:<sup>5</sup>

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<sup>1</sup> Saskia Sassen, *global cities as today’s frontiers*, leuphana digital school, 1/6.

<sup>2</sup> Saskia Sassen, *global cities as today’s frontiers*, leuphana digital school, 2/6.

<sup>3</sup> Parag Khana, *Beyond city limits*, foreign policy, 6.10.2014 Europe has two cities of this scale: London and Paris.

<sup>4</sup> Futurium, in 2011 the European Commission, Directorate General for Communications Networks, Content and Technology (DG CONNECT) launched a project called “Digital Futures”- a journey into 2050 visions and policy challenges.” The project was completed in December 2013. Its objective was ‘to provide credible and sustainable responses to systemic issues, such as unemployment or financial stability.’ One of the thematic areas was *Cities, Villages, Communities* in 2050.

<sup>5</sup> Study by the Dutch Ministry of the Interior and Kingdom Relations, The Hague 2014: The regional implications of the global dynamics determine to a large extent local labour markets. Cooperation and coordination at higher, national, European and international levels are a prerequisite for effective local approaches to economic growth.

- Smart growth challenges are: e.g.: favourable conditions for innovation, generation and circulation of knowledge; attracting talents, improvement of educational system, favourable entrepreneurial environment;
- Inclusive growth challenges are: e.g. manage and adapt to demographic changes due to ageing, age imbalances, mobility within counties and cross-border mobility, international migration. Realise provisions for integration, respect for diversity and participation.
- Inclusive green challenges are: e.g. Green infrastructure challenges, sustainable urban mobility and transport, climate change adaptation (water shortages, floods, heat waves, etc.), energy efficient cities;
- Management and governance challenges: need for new forms of flexible governance within functional urban areas. Combine formal government structures with flexible informal governance structures that correspond to the scale at which the challenges exist; Promote smarter regulation.<sup>1</sup>

### Shaping Europe's cities – what is the role of EU policies?

The EU's powers are laid down by the EU Treaties.<sup>2</sup> The subsidiarity principle is particularly central to the spheres of regional policy and urban development, and under that principle the EU has only limited powers in this area. However, the majority of EU decisions have always had at least an indirect influence on the situation in Europe's cities.

The 'Europeanisation' of cities has in the past largely been influenced by EU policies (the top-down approach). All the EU institutions are involved. The first initiatives aimed at cities came from the Commission as far back as the 1980s. The Commission is involved in urban development in a wide variety of policy areas through numerous rules, programmes and initiatives, and in particular through EU regional and urban development policy. However, there are other relevant areas of policy with an urban policy dimension, such as the environment, employment, transport and energy<sup>3</sup>.

In 2009 and 2011 the European Parliament adopted two resolutions on urban policy,<sup>4 5</sup> in which it calls for the urban dimension to be strengthened in EU policy areas. A number of informal meetings of ministers responsible for urban policy have in recent years put their mark on the objectives and principles of EU urban development.<sup>6</sup>

The Europeanisation of cities also takes place in the opposite direction (the bottom-up

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<sup>1</sup>Ibid. 'In our networked society these networks also transcend traditional governmental boundaries, which has implications for horizontal and vertical coordination, The change from government to governance implies that cooperation and coordination with non-public actors to achieve public goals have become more important.'

<sup>2</sup> Art. 5 TEU: Subsidiarity: 1., Art 4 TFEU: 2. Title XVIII, TFEU, economic, social and territorial cohesion Protocol No 2 - On the application of the principles of subsidiarity and proportionality.

<sup>3</sup> see: The urban dimension in other policies of the EU, European Commission, DG Regio, 2011.

<sup>4</sup> (2008/2130(INI) Urban dimension of cohesion policy 24/3/2009.

<sup>5</sup> 2010/2158(INI) European urban agenda and its future in the cohesion policy 2011.

<sup>6</sup> Important documents include: Action programme, Lille, 2000; Urban acquis, Rotterdam, 2004; Sustainable communities, Bristol, 2006; Leipzig Charta on sustainable European cities, Leipzig, 2007; Implementation of the Leipzig Charta, Marseille 2008; Toledo Declaration, 2010; Poznan Conclusions, November 2011; Territorial Agenda of the EU 2020, 2011; Towards an EU urban agenda, Athens, 2014.

approach). Growing calls from cities to be more closely associated in shaping policy may lead to the foundation of city networks <sup>1</sup> which promote the exchange of information and influence decisions at EU level. However, this is not true of all cities to the same extent. There are as many differences in the degree of Europeanisation of cities as there are between their interests and needs.<sup>2</sup>

Greater account needs to be taken of these differing interests of cities by EU policy makers. However, the central criticism levelled at EU policy makers in urban matters is a lack of consistency and coordination both in the various EU rules and programmes, and in the coordination of work between the EU and the local level.

## **The EU Urban Agenda**

To ensure better policy coordination and better integration of urban development objectives in a larger number of policy areas, city organisations have been calling for many years for an EU Urban Agenda.<sup>3</sup> An initial Commission communication on the Urban Agenda appeared as far back as 1997. In the Commission communication on this topic, ‘The Urban Dimension of EU Policies – Key Features of an EU Urban Agenda’, published in July 2014, various proposals are made as to what forms an EU Urban Agenda could take:

- A working method to ensure coherence between the various EU policies and programmes

Many policies at European level affect urban areas directly, such as transport policy, social policy and climate policy. Cities are nearly always affected, though the various proposals are not always coherent or coordinated. The coordination of the numerous EU regulations, programmes and initiatives that are relevant to cities is therefore a priority. The principle should be for the urban dimension to be mainstreamed in all relevant EU policy areas.

The rapporteur proposes that there should be a special EU urban envoy within the Commission to coordinate, in a horizontal manner, different policy sectors and initiatives in the Commission and, in a vertical manner, to optimise and support the work of the various decision making and administrative levels.

- Measures focusing on a limited set of major European societal challenges

Such challenges include, for example, climate protection and demographic change. In principle these challenges should have a specific impact on cities or urban areas which cannot be satisfactorily resolved by the Member States, and EU measures should have an added value for the cities.

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<sup>1</sup> for instance cooperation between municipalities and cross-border cooperation. There is a need for flexible forms of management of urban development policy, tailored to the urban centres of different size.

<sup>2</sup> Hameldinger and others: The Europeanization of cities, techne Press, Amsterdam, 2010: Eight stages of Europeanisation of cities: a.) Responding to EU directives and regulations b.) Managing European information c.) Communicating to the private sector and the public d.) Maximizing EU grants e.) Facilitating economic regeneration (through d) f.) Linking with other local organisations participating in the EU g.) participating in EU international networks and cooperating in joint projects h.) Advising the EU on implementing issues i) Making the council’s policies more European.

<sup>3</sup> e.g. Eurocities.



The rapporteur calls on the Commission, in cooperation with local stakeholders and others, to submit proposals both for the most urgent challenges and for necessary measures.

- A strategy with priorities for the long term

An EU Urban Agenda should agree with the objectives and strategies of the EU, particularly with the Europe 2020 strategy. It would establish an action framework for the various EU policies and programmes and define a limited number of topics to be implemented as a priority.

The rapporteur proposes that the EU Urban Agenda should be geared to the objectives of the Europe 2020 strategy and in particular to the topics of social inclusion, demographic change and sustainability, and calls on the Commission to take the EU Urban Agenda into account in its next programme of work, in order to propose the necessary measures for its implementation.

As central instruments for the implementation of the EU Urban Agenda, the rapporteur proposes:

- A new model of multi-level governance

Urban policy should not only follow a top-down approach. Cities must be given opportunities to ensure that their experiences and opinions are reflected in the EU legislative process.

The rapporteur calls on the Commission to develop a new multi-level governance model combining formal governmental structures with informal structures which take into account new digital communication possibilities and network activities. The new model should guarantee an exchange of information both horizontally and vertically and should improve citizen participation and democratic legitimacy.

- Smarter regulation

One of the rapporteur's aims is to simplify EU law in the interest of efficient urban development policy, in order to facilitate implementation and reduce costs. She calls on the Commission to step up its efforts to create a clear, stable and predictable legal framework that promotes growth and employment. For cities in particular, it needs to be ensured that the benefit of administrative action is achieved at the minimum cost.

- Appropriate EU funding

To be able to respond to the various challenges facing urban areas, a number of funds are available (EFRD, ESF, Horizon 2020, Europe for the Citizens, etc.).

The rapporteur calls for individually tailored solutions to be found for cities, appropriate financial aid to be made available and where possible appropriations to be allocated in a coordinated manner from the various funds.

- Partnership principle

Cities are directly or indirectly affected by European rules, but the various proposals

are not always coherently coordinated with each other or easy for cities to implement. The rapporteur notes that the partnership principle in the structural funds could be a model for more efficient cooperation among various levels of government. The early involvement of the urban government level could help laws with a direct impact on cities to be applied by the cities in a practically oriented way.

- **Information forum and harmonised exchange of data on urban issues**  
The rapporteur proposes that a regular information forum on urban policy should be held, offering stakeholders from the various levels of government the opportunity for cooperation and discussion, and enabling the EU level of government to evaluate the impact of EU policies.  
Greater harmonisation of data on urban and spatial planning would facilitate the implementation of EU policies at local level and simplify the evaluation of their usefulness and success.

To sum up, the rapporteur takes the view that EU policy makers need urgently to take the above-mentioned measures that are necessary for a more efficient EU urban policy / urban agenda in order to be able to influence the consequences and speed of urbanisation in Europe. Only by active and coordinated action by EU policy makers can cities continue to fulfil their functions in future and offer their inhabitants the living conditions they desire.

8.5.2015

## **OPINION OF THE COMMITTEE ON EMPLOYMENT AND SOCIAL AFFAIRS**

for the Committee on Regional Development

on the urban dimension of EU policies  
(2014/2213(INI))

Rapporteur: Evelyn Regner

### **SUGGESTIONS**

The Committee on Employment and Social Affairs calls on the Committee on Regional Development, as the committee responsible, to incorporate the following suggestions into its motion for a resolution:

1. Observes that towns and cities have an important role to play in achieving the EU 2020 employment targets and goals of the cohesion policies and must therefore be involved in the whole process of formulating policies at EU level, which can be achieved, inter alia, by means of including representatives of towns and cities in groups of experts, who should also consult civil society actors and social partners; welcomes in this regard an EU urban agenda, which would ensure a better coordination of policies and the involvement of relevant stakeholders from European urban areas and must be taken in the wider context of Article 4 TEU;
2. Welcomes also multi-disciplinary consultations with bodies representing civil society, such as the European Economic and Social Committee, and similar bodies in the Member States, and associations of citizens and their elected representatives, with a view to optimising the outcome of EU policies and, in particular, employment policies;
3. Considers that in order to ensure that the views of all urban stakeholders are better taken into consideration, the existing tools and EU structures should be explored more efficiently through consultation, evaluation, impact assessment and exchange of best practices and experiences, especially in drawing up operational programmes;
4. Encourages the Commission to further support the development of locally administered city-wide investment programmes;

5. Points out that growth, job creation and research and development are concentrated in Europe's towns, cities and urban regions, and that many European towns and cities, particularly those which are expanding rapidly and those which are in demographic decline, are facing major social challenges; points out that towns and cities contain the highest concentrations of both great wealth and exclusion in their most extreme forms;
6. Calls on the Commission to support towns, cities and urban regions together with the Member States and to propose European guidelines for overcoming these challenges, which include high unemployment, rising social inequality, security, globalisation, changes in production patterns, migration and poverty, and the need to promote integration and provide public infrastructure and social housing;
7. Points out that measures in the areas of employment, social, economic and environmental policy have a greater and more rapid impact on conurbations than elsewhere; calls on the Commission to take this into account in devising and implementing its policies;
8. Considers that, by supporting innovative, smart and sustainable projects, towns and cities can make a strong contribution to economic growth, increasing the employment rate and improving social cohesion, and that the development of a 'knowledge-based' economy requires adequate funding in order to improve digital infrastructure and the ICT skills of its citizens in urban areas;
9. Asks the Commission to strengthen links between city centres and the urban periphery, and between urban and rural areas;
10. Considers that, in the operations of the European Fund for Strategic Investment, special attention should be given to projects in urban areas in order to promote socially and ecologically sustainable financing and investment with great potential for job creation; stresses that the Fund's Investment Committee, which will examine projects, should pay particular attention to projects related to social housing, renovation of public areas and buildings, strategic public transport, education, health and care; stresses that investments should also focus on the creation of high-quality, sustainable employment in order to prevent in-work poverty; calls for citizens and stakeholders to be involved in drawing up the requisite policies and related projects;
11. Notes that to increase the attractiveness of towns and cities as places to invest, and thereby contribute to inclusive economic growth and to boosting employment, it is necessary to invest more in urban public spaces, rehabilitate abandoned territories and address problems which limit the development of trade, particularly in services, such as poorly developed urban centres, deserted or abandoned public spaces, unsafe or unattractive urban areas and a low level of involvement by residents;
12. Calls on the Commission to study the possibility of major budgetary flexibility within the rules of the economic governance framework for public expenditure on combating unemployment and poverty and for the purpose of promoting social investment in order to facilitate greater productive investment by towns and cities, the reduction of various forms of inequality and the promotion of a balanced social mix; stresses that, in line with the urban agenda, a solution must be found to the problem of integrating poorly-

trained young people into the labour market, by providing barrier-free, accessible and quality vocational and in-work training to help them acquire skills, bearing in mind that a lack of qualifications can increase the risk of unemployment, which in turn increases the risk of poverty and presents a multitude of social challenges linked to exclusion, alienation and failed efforts in building an independent life; stresses that it is crucial for towns and cities to help more young people to stay in school and acquire the appropriate qualifications needed for a job and career and to ensure wider access to high-quality education, with special projects for children from disadvantaged groups and minorities;

13. Draws attention to the issue of the overpopulation of the biggest cities, which, in the absence of appropriate infrastructure, can lead to mobility problems and insufficient or poor-quality housing; is concerned about the problems with traffic and a lack of smooth traffic flow in cities, which significantly increase commuting time and reduce the quality of life of many Europeans; stresses that a lack of appropriate infrastructure can cause psychological pressure and stress on workers, thereby hindering a healthy work-life balance;
14. Calls on the Commission to explore whether, and to what extent, unused Youth Employment Initiative resources can be allocated directly to towns and cities with particularly high rates of youth unemployment, with the proviso that the monies in question are earmarked for specific projects aimed at combating youth unemployment;
15. Draws attention to the fact that urban design and services addressing gender discrimination and promoting equal opportunities contribute to achieving a greater social and economic benefit; calls therefore on the Commission to actively promote exchanges of best practices in gender budgeting;
16. Emphasises the concepts of accessible towns and cities, of budgeting for universal design<sup>1</sup> and of planning accessible towns and cities; calls on towns, cities and urban regions to respect EU commitments on accessibility; calls on the Commission to monitor the implementation of the related measures; urges for the systematic involvement of citizens, including people with disabilities, and their representatives, and experts in the universal design of urban development;
17. Calls on the Commission to take into consideration, when allocating funds, the effects of the financial crisis, which have weakened the ability of urban regions to deal with major issues such as demographic, environmental, economic and social challenges and the provision of public services;
18. Asks the Commission, as part of its urban programme, to set ambitious targets to ensure that towns, cities and regions implement the Europe 2020 strategy while accounting for the specific characteristics of each region, and points out that, in line with this strategy, the priorities of the urban programme should include combating poverty, social exclusion and homelessness by encouraging in particular more sustainable social housing;

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<sup>1</sup> As defined in Article 2 of the Council Decision (2010/48/EC).

19. Underlines that towns and cities are a part of a broader functional area and cannot be treated in isolation; calls on the Commission to respect the principle of sustainable regional development also with a view to achieving more efficient and sustainable urban development in developing its urban agenda, especially in the sectors of infrastructure, public services (especially in education), health and care, together with coordinated, integrated, strategic and sustainable public transport networks which help to strengthen social cohesion and improve workers' mobility and a good work-life balance; encourages the development of these transport networks in cross-border conurbations as urban areas should be logistically interconnected not only at regional or national level, but also at cross-border level;
20. Calls on the Commission and the Member States to help urban areas to modernise their economic, social and environmental characteristics through smart investments and better coordination; considers it necessary to also promote a high-quality and safe living environment;
21. Points out that towns, cities and urban regions are structurally very different and face a wide range of challenges; concludes therefore that a one-size-fits-all approach should be rejected; calls on the Commission to find new ways to enhance the exchange of information and best practices and to take into account the specific needs of urban regions when drafting legislation, as towns and larger urban areas are important centres of economic activity and have, owing to their culture, size, infrastructure and economic structure, specific social problems and are in need of tailored solutions;
22. Notes that cooperation between Member States on urban development currently takes place on an intergovernmental basis; believes that the development of an EU urban agenda must demonstrate clear EU added value.

## RESULT OF FINAL VOTE IN COMMITTEE

<b>Date adopted</b>	7.5.2015
<b>Result of final vote</b>	+: 44 -: 4 0: 2
<b>Members present for the final vote</b>	Guillaume Balas, Tiziana Beghin, Brando Benifei, Vilija Blinkevičiūtė, Enrique Calvet Chambon, Martina Dlabajová, Lampros Fountoulis, Elena Gentile, Arne Gericke, Marian Harkin, Danuta Jazłowiecka, Agnes Jongerius, Rina Ronja Kari, Ádám Kósa, Agnieszka Kozłowska-Rajewicz, Zdzisław Krasnodębski, Kostadinka Kuneva, Jérôme Lavrilleux, Patrick Le Hyaric, Verónica Lope Fontagné, Javi López, Thomas Mann, Dominique Martin, Elisabeth Morin-Chartier, Emilian Pavel, Georgi Pirinski, Terry Reintke, Sofia Ribeiro, Claude Rolin, Anne Sander, Sven Schulze, Jutta Steinruck, Romana Tomc, Ulla Tørnæs, Marita Ulvskog, Renate Weber, Tatjana Ždanoka, Jana Žitňanská, Inês Cristina Zuber
<b>Substitutes present for the final vote</b>	Georges Bach, Heinz K. Becker, Karima Delli, Tania González Peñas, Marju Lauristin, Helga Stevens, Ivo Vajgl, Tom Vandenkendelaere
<b>Substitutes under Rule 200(2) present for the final vote</b>	Andrea Cozzolino, Rosa D'Amato, Jens Nilsson

## RESULT OF FINAL VOTE IN COMMITTEE

<b>Date adopted</b>	17.6.2015
<b>Result of final vote</b>	+: 26 -: 4 0: 1
<b>Members present for the final vote</b>	Pascal Arimont, José Blanco López, Franc Bogovič, Steeve Briois, Rosa D'Amato, Bill Etheridge, Michela Giuffrida, Ivan Jakovčić, Constanze Krehl, Martina Michels, Iskra Mihaylova, Andrey Novakov, Stanislav Polčák, Julia Reid, Terry Reintke, Monika Smolková, Maria Spyrali, Olaf Stuger, Ángela Vallina, Monika Vana, Matthijs van Miltenburg, Lambert van Nistelrooij, Kerstin Westphal
<b>Substitutes present for the final vote</b>	Petras Auštrevičius, Daniel Buda, Salvatore Cicu, Ivana Maletić, Jan Olbrycht
<b>Substitutes under Rule 200(2) present for the final vote</b>	Jens Nilsson, Georgi Pirinski, Daniele Viotti