

**Progress on Territorial Cohesion in the EU:
Reviewing Territorial Cohesion and the Territorial Agenda 2020 (Action 1 of
the IT-LV-LU Trio Presidency)**

*Input paper for the DG meeting under Latvian Presidency
6 May 2015 in Riga*

1. Setting the scene

The Trio Presidency of Italy-Latvia-Luxembourg has decided to take as the starting point of its common programme in the fields of Territorial Cohesion and Urban Policy a discussion about the way in which the European Union's objective of territorial cohesion is implemented (Action 1) and to follow up this discussion by a number of concrete measures to strengthen Territorial Cohesion in Europe. These concrete measures are divided into four further actions that support the implementation of territorial cohesion through discussing a territorial perspective and vision of Europe for 2050 (Action 2), legal provisions for the improvement of cross-border collaborations (Action 3), a recognition of Territorial Cohesion and Cohesion Policy in a broader policy context at the EU level (Action 4), and highlighting the role of Small and Medium Cities for the development of Europe (Action 5).

Why was Action 1 chosen to be addressed now at this particular time? Firstly, it has been more than 5 years since Territorial Cohesion was recognised in 2009 as a European Union objective in the Lisbon Treaty. Accordingly, it seems to be an appropriate moment to look back and assess what happened so far with regards to EU-level governance mechanisms and instruments relevant for the implementation of the Territorial Cohesion objective. Secondly, the Territorial Agenda 2020 (adopted in May 2011) indicates that a review should be carried out under the Latvian and Luxembourgish Presidencies about the necessity of revising the current version of the Agenda document. Furthermore, the financial and economic crisis has shaken up the pathway of increasing cohesion in the EU in the first years of this decade and compels us to revisit the issue and adapt our approach to this particular context.

Assessing the implementation of the Territorial Cohesion objective through EU-level governance mechanisms and instruments such as Cohesion Policy is meant to offer an input for actors at the EU level, the European Commission, as well as the Member States and the Council, the European Parliament and the Committee of the Regions to initiate or carry out their own follow-up on the implementation of the Territorial Cohesion objective. The Road Map agreed by the Ministers responsible for spatial planning and territorial development during the Polish Presidency (2011) indicates the necessity of strengthening Territorial Cohesion aspects and the place-based approach in the implementation of Cohesion Policy and refers to the possibility of a White Paper on Territorial Cohesion in this regard. The latter proposal has not been implemented so far, but it was always said this would not necessarily represent the only way forward to improve Territorial Cohesion in the EU. Assessing the necessity of reviewing the TA 2020 goes back to a provision in the TA 2020 for the Presidencies of Latvia and Luxembourg in 2015 to indicate the directions which a potential review could take. In principle, the implementation of the TA 2020 depends on the way in which the objective of Territorial Cohesion is implemented at the EU level through instruments such as the ESIF. Vice versa, EU policies, such as Cohesion Policy, benefit to a certain degree from the pace making of the TA process. Therefore, the success of the TA 2020 is closely related to the way in which the

European Commission and the Member States promote the notion of territorial cohesion within the framework of their policies, no matter whether cohesion or sectoral policies.

The approach that the Trio Presidency has chosen to tackle the assessment of the implementation of Territorial Cohesion objective and the TA 2020 is to conduct a survey that deals with both parts of Action 1. The conclusions of the report are meant to trigger a debate on how to proceed with the implementation of the Territorial Cohesion objective. The questions of the survey are linked to the conclusions of the Road Map agreed under the Polish Presidency. The Road Map concludes that the TA 2020 deals well with the challenges and priorities for territorial development in Europe, but lacks a strong implementation and communication agenda.

Accordingly, the survey focuses on the relevant governance mechanisms for implementing the objective of Territorial Cohesion and related governance challenges. This concerns governance tools for cooperation across policy sectors and across levels of governance, as well as existing and new EU-level instruments for implementing territorial cohesion. Subsequently, the survey addresses the experiences with the TA 2020 and the continuing relevance of this document. This concerns the awareness of stakeholders in different sectors and levels of governance of the TA 2020 and its objectives, as well as the relevance of the territorial priorities and the success of the communication strategy. The results of the survey will serve as the basis of the report and allow the Trio partners to present an up-to-date picture of how the objective of Territorial Cohesion is implemented, how the process can be improved, and whether the Territorial Agenda 2020 needs to be revised.

A first discussion was conducted at the NTCCP meeting on 6th March 2015 in Riga (Latvia). It was recommended to take the discussion to the DG level in order to work towards conclusions to be taken at the ministerial level. In this context, the NTCCP received first tentative results of the study on the assessment of the implementation of Territorial Cohesion and the TA 2020. These results have been updated and fleshed out since the NTCCP meeting, which is further explained in the subsequent section.

It should be mentioned that the results of the survey and the overall conclusions of the study have to be discussed in the political process to come to an agreement on common political conclusions under the Luxembourgish Presidency.

2. Tentative results of the study on the assessment of the implementation of territorial cohesion and the TA 2020

The assessment of the implementation of territorial cohesion and the TA 2020 has progressed since the last input paper for the NTCCP. Nearly all of the interviews have been conducted and a survey has been performed to assess how the Union's Territorial Cohesion objective is implemented and whether there is necessity to revise the TA 2020. Questions are asked about the understanding of concept of Territorial Cohesion, relevant governance mechanisms for implementation, challenges when addressing Territorial Cohesion objectives and experiences related to the TA 2020. The survey ran from mid-December 2014 until 24 February 2015 and was sent out among the partners from the NTCCP, ESPON and other stakeholders related to territorial development and cohesion in Europe. 213 persons responded to the survey. However, the response rate differs per questions and declines towards the end of the survey.

The points for discussion presented in this paper are based upon the interviews and the survey. The full report in its final version will be available in June 2015.

Starting with definitions and their impact, it can be said that the complexity of the concept of Territorial Cohesion and the relatively abstract nature of the Territorial Agenda 2020 pose certain

challenges for implementation. Both the objective of Territorial Cohesion as well as the TA 2020 put strong emphasis on better coordination of sectoral policies and the place-based approach. In general, the objective of Territorial Cohesion and the goals expressed in the TA 2020 require a long-term perspective when it comes to their achievement, which is due to the fact that territorial convergence is a prerequisite to their achievement. In this regard, progress is rather incremental. Therefore, it is necessary to keep the topic on the agenda at the European level and maintain awareness among the relevant stakeholders.

Despite the difficulties of communicating and advocating the TA 2020 objectives, a lot has been done over the past decade. Indeed, cross-sectoral policy coordination and also the place-based approach are recurring topics in the daily work of many policy-makers. Whereas it seems that these issues remain distant and abstract at EU or national level, they often are more concrete at regional or local level.

The following conclusions from the survey and the interviews discuss the main challenges and opportunities concerning the implementation of the Territorial Cohesion objective and the Territorial Agenda 2020.

(1) Tentative key messages concerning the implementation of the Territorial Cohesion

- The concept of Territorial Cohesion does not have a single definition; however, the various definitions of this concept as expressed in the Treaty, the TA 2020, the Green Paper, and the the 5th Cohesion Report are considered almost equal in relevance. The diversity of definitions and the overlap between them inevitably lead to manifold interpretations in terms of implementation and not least the perception of the concept's added value. At best this is a communication challenge, but at worst it is the first obstacle on the way to successful implementation.
- The main focus for implementing the Territorial Cohesion objective remains at the EU and the national level.
- Insufficient political ownership appears to be the main obstacle for better implementation, followed by insufficient knowledge on territorial impacts, for example, triggered by sectoral policy measures.
- The dominance of national authorities in policy-making and difficulties in activating relevant stakeholders are key challenges when implementing the Territorial Cohesion objective.
- The lack of knowledge on Territorial Cohesion and the territorial dimension of sectoral policies at different governance levels presents a serious challenge to implementation. According to the experiences of the survey respondents, national policymakers from various policy sectors dominate territorial policymaking, but seem to lack the relevant territorial knowledge.
- Territorial Impact Assessments as a governance mechanism have great potential for future use, in reference to the cooperation between different policy sectors and the understanding of the territorial dimension in policymaking. This can be deduced from the responses indicating how frequently this tool is currently being used and whether it should be used more.
- Currently, Strategic Environmental Assessments and Environmental Impact Assessments, financial incentives and formal as well as informal consultations are the tools most often used. However, not all of these tools have been indicated as tools that should be used more. In particular, respondents indicate that Environmental Impact Assessments should not be used more extensively.

- Formal consultations, monitoring and the provision of territorial evidence, as well as foresight projects and strategic policy documents are the tools most often used with reference to the implementation of the Territorial Cohesion objective.
- From the instruments in place at the EU level, CLLD (Community-led Local Development) and ITI (Integrated Territorial Investment) are seen as the most promising instruments for promoting territorial cohesion.
- A new EU-level instrument to support the implementation of the Territorial Cohesion objective could be a future EU White Paper on Territorial Cohesion (as a follow-up to the Green Paper) with concrete proposals for Community action in the field of Territorial Cohesion.
- Another promising approach is to place Territorial Cohesion as a regular topic on the agendas of the Coordination Committee for European Structural and Investment Funds (COESIF) and the Expert Group on European Structural and Investment Funds (EGESIF).
- Placing Territorial Cohesion as a regular topic on the agenda of the EU General Affairs Council was seen as a more promising approach than an independent EU Territorial Cohesion Council.

(2) Tentative key messages concerning the TA 2020

- The challenges and potentials as well as the priorities set out in the TA 2020 are still perceived to be applicable or relevant.
- At the EU as well as national level and within the Interreg community, the level of awareness of the TA 2020 is generally high. The level of awareness of the TA 2020 is highest among stakeholders in the fields of regional and urban policies, followed by stakeholders in environmental policy and transport policy.
- The TA 2020 objectives are addressed in regional and urban policies, and to a lesser extent also in environmental policy and transport policy - at all levels of governance, but predominantly at the EU level.
- The level of awareness of the TA 2020 is relatively low in other policy areas and at the sub-national governance levels.
- Moving beyond the general level of awareness of the document, it can be said that the TA 2020 is rather complex and remains rather abstract. This makes it difficult to communicate the aims and objectives.
- Intergovernmental cooperation is not always suited as a basis for implementation due to its volatility as it largely depends on the resources and priorities of key players in the Member States.
- Looking at the implementation of the objectives of the TA 2020 by policy field and governance level, the EU level is most prominent in almost all policy fields. However, respondents believe that the EU level applies or implements the objectives of the TA 2020 predominantly in regional and urban policies, followed by environmental policy, transport policy, and climate policy.
- A lot of work is done at the local and regional levels, but predominantly without direct reference to the TA 2020. From a local and regional perspective, the focus is often not on implementing the objectives of the TA 2020 but on doing the job and doing it well. In many cases this implies that policymakers move from administrative compliance to a more entrepreneurial approach.
- With the beginning of the Territorial Agenda process, there has been the urge for more territorial evidence, and in particular more policy- and user-oriented territorial evidence. ESPON has undertaken great efforts to improve the situation and has achieved a great deal when it comes to describing Europe's territorial diversity and developing tools for measuring the territorial impact. And yet, there is a demand for more analysis and better tools. Taken

together, this means that the pace of implementation is closely linked to the provision of territorial evidence.

- The implementation of the TA 2020 objectives is perceived to be most successful in the Agenda's core domain of territorial policy.
- Involving more stakeholders from different policy fields and governance levels can address these challenges. Efforts are undertaken to reach out beyond the NTCCP, the EGTCUM, the ESPON community and the fora of usual suspects.
- The EU Urban Agenda, though running in parallel to the TA 2020 and with a similar focus on cross-sectoral policy coordination and place-based policymaking, seems to be more successful.

(3) Tentative proposals for the future

In order to strengthen the implementation of the Territorial Cohesion objective and the TA 2020, here are a few concrete proposals for discussion. Most of these proposals focus on improvements at the EU and the national level as these are most prominently represented in debates of the NTCCP. In addition there are also a few proposals that focus more on improvements at the local and the regional level.

- *Open dialogue*: Many of the dialogue-related efforts are focused on convincing other policy sectors to take the territorial dimension or the territorial impacts of their policies into consideration. Moreover, territorial policy stakeholders may need to learn more about the reasoning and objectives of sectoral policies and present their ideas in light of the question how territorial policies can support or complement these approaches.
- *TIA and scenarios as eye-openers*: Evidence is an important for supporting the dialogue with others and underpinning statements on the territorial dimension. Territorial impact studies and territorial scenarios are suitable tools for getting the attention of decision makers. However, this material needs to be brought to the attention of the relevant decision makers and not to the attention of "whom it may concern".
- *Stronger implementation focus*: Overall the TA 2020 debate and papers need to move from the agreement on general principles to more result-oriented implementation actions. This could, for example, be done by reconsidering and potentially revising the role of the NTCCP and ESPON.
- ESPON needs to become even more user-oriented and communication-friendly. Many results and tools produced by ESPON might be considered as 'prototypes'; the next step is to further test and fine-tune them to achieve a stronger user-orientation. Stakeholders involved in ESPON projects should better demonstrate how they implement and use the ESPON results in policymaking.
- *Concrete policy papers*: Specific themes of the TA 2020 can be interpreted differently at different moments in time. Short and more concrete papers providing a territorial policy contribution to larger on-going policy debates could provide new impetus to the implementation of TA 2020 objectives and priorities. For instance, every year there could be one such a paper that is tabled at a high-level or even informal ministerial meeting.
- *Role of the European Commission as well as Member States*: Territorial Cohesion as a Union objective provides the legitimation for a stronger involvement of the European Commission in Territorial Cohesion matters where appropriate. Suggestions what a stronger involvement might consist of are:
 - Stronger advocacy of the territorial dimension and tools like Territorial Impact Assessments among other policy sectors at the EU level, in the Member States, regions and cities.
 - Better coordination of EU policies and better communication of these efforts and their results. This includes the identification of territorial aspects in EU and national

policies and also the identification of key players who can influence the territorial matters in relevant policies.

- Improved communication on territorial matters. Regular publications and/or (annual) conferences where the territorial policy community meets other policy sectors.
- This could be supported by regularly addressing topics related to Territorial Cohesion and the territorial dimension in sectoral policies at EU General Affairs Council meetings.
- *Improved links to Urban Policy:* In particular urban policies and the prospective EU Urban Agenda seem to be closely linked to the TA 2020 and, above all, seem to be able to reach further policy communities. Where the content of both policy fields is closely related, one may even consider joining efforts for defining common strategies.
- *Preparing for policy debates on future policies:* As territorial policymaking comprises a strategic dimension, two upcoming discussions might be of particular interest:
 - The *Europe 2020* Review which will be launched in late 2015 and one of the main questions is whether *Europe 2020* will keep its role as overarching strategy for European policymaking.
 - In 2016 the discussions about the European Structural and Investment Funds post 2020 (*ESIF 2020+*) will slowly but surely start.
- *Focus on regional and local policy making:*
 - The principles of the TA 2020 are often applied at the local and regional level, but without direct reference to the TA 2020 and rather as an innovative governance arrangement. Efforts could be undertaken to make more visible what is done at the local and regional level.¹
 - Encourage actors at the local and regional level to find new solutions and display a pro-active attitude with regards to including the TA 2020 principles in their projects. NTCCP members may play an important role in their countries.
 - Subsidiarity principle: In a multi-level governance approach, the appropriate level of decision-making varies depending on the policy fields and the division of decision-making powers in a Member State or region. This may imply the delegation of decision-making powers to regional or local stakeholders and the involvement of local communities and the citizens.
 - Voluntary implementation partnerships for territorial development between different levels of government (national-regional-local) could be agreed in order to promote concrete strategies and projects, despite a lack of formal instruments, by committing all involved actors to the achievement of common objectives.
- As regards the revision of the TA 2020, it seems that the challenges and priorities are still relevant. Before addressing a revision, the communication should be improved and concrete measures that fit into the focus of the TA 2020 should be implemented. A revision always bears the risk of redirecting the focus of the stakeholders on introspection rather than on an outward-looking engagement with other sectors. And this is something which should be avoided for the moment. Achieving Territorial Cohesion is a long-term process that requires commitment and engagement. A cycle of revision would deflect attention from the actual process and halt the debate across sectors as well as levels of government and with stakeholders.

As mentioned in the introduction, the points addressed are tentative suggestions and hopefully function as inputs for a first discussion. The full report presenting the results in a complete, systematic and consistent way will be provided in June 2015.

¹ e.g. the study the place-based territorial sensitive and integrated approach commissioned by the Polish Ministry, or the study on the on the Territorial Agenda 2020 put in practice commissioned by DG REGIO, as well as the study on multi-level governance in support of Europe 2020 commissioned by DG REGIO.

3. It's time to start the debate

Following these first results of the report, it is time to start a debate that will continue from the Latvian into the Luxembourgish Presidency and shall lead to Presidency Conclusions at the end of the Trio Presidency at the Informal Ministerial Meeting in Luxembourg. After the NTCCP meeting of 10 March 2015 in Riga and the DG meeting of 6 May 2015 in Riga, the schedule for the rest of the year is as follows:

- Discussion during NTCCP meeting (9 September 2015) and DG meeting for Territorial Cohesion (20 October 2015).
- Presidency Conclusions at the Informal Meeting of Ministers responsible for Territorial Cohesion (26 November 2015).

In order to launch a first discussion at the DG level, the participants are invited to respond to the following questions:

- 1) How would you assess the implementation of territorial cohesion in the past five years and where do you think are the most apparent needs to improve its implementation?
- 2) How could the delivery of territorial cohesion be improved using existing instruments and do we need new instruments to do so?
- 3) What are the main achievements and shortcomings of the TA 2020 and what direction should any improvement take?
- 4) How could we make better use of the TA 2020, in terms of delivery and communication?