
Latvian Presidency Outcome Paper

In the field of Territorial Cohesion and Urban Matters

I MAIN OUTCOMES

Riga Declaration

During the informal meeting of Ministers responsible for territorial cohesion and urban matters on 10 June 2015 in Riga, the Declaration of Ministers towards the EU Urban Agenda was agreed among the meeting participants in consensus. Thus, the EU Member States, institutions and relevant partners confirmed their willingness to contribute to the development of the EU Urban Agenda.

The Declaration defines the main elements and principles in EU Urban Agenda development. It also defines the recommended actions to be taken at different governance levels, in order to foster sustainable development. In addition, the Declaration acknowledges the role of small and medium sized urban areas (hereinafter – SMUAs), which is the common topic for the Presidency Trio and specific priority of the Latvian Presidency.

Participants of the Ministerial meeting acknowledged that Riga Declaration provides a good basis and a favourable framework for the development of the EU Urban Agenda.

Discussing the content of the Declaration, the meeting participants especially highlighted the importance of such aspects in EU Urban Agenda development as:

- ✓ subsidiarity and proportionality principle, including importance of intergovernmental approach;
- ✓ true collaboration and partnership among Members States, EU institutions and relevant partners, involving multilevel governance;
- ✓ wider involvement and better participation of local and regional authorities;
- ✓ the necessity to address different types of urban areas in full respect of urban diversity;
- ✓ the need for flexible support measures, adaptable to different circumstances;
- ✓ the necessity to look at a broader territorial scale, among others, developing the well – connected networks, where metropolitan areas, SMUAs, as well as rural surroundings coexist and operate in a supplementary way, including at cross – border scale;
- ✓ the need for integrated, crosscutting, territorial based approach, focusing resources where we really need;
- ✓ the necessity for more efficient exchange of knowledge and experiences;
- ✓ the need to avoid bureaucratic and administrative burden.

Most participants expressed their support to the statements regarding SMUAs, acknowledging the necessity to take into account their needs developing and implementing the EU Urban Agenda. It was emphasized that SMUAs are home for significant part of Europeans, they function as centres for jobs and services, creating bridges between bigger cities and rural areas. Therefore tailor-made support mechanisms should be ensured addressing their challenges and development opportunities.

During the Ministerial meeting it was emphasized that the common aim of the EU Urban Agenda is to make European cities and towns stronger, unlocking potential of different urban areas and increase their attractiveness and productivity in an integrated way, based on their strengths and comparative advantages. It is possible to achieve the aforementioned:

- ✓ ensuring better and more coordinated policies, with an impact on urban development;
- ✓ using better the tools and instruments that are already available;
- ✓ providing better data, benchmarking, impact assessment and monitoring.

Research report on the small and medium sized urban areas

As a specific contribution to the ongoing work on the EU Urban Agenda preparation Latvian Presidency has particularly analysed the role of SMUAs in common territorial development and its economic growth potential. The essential role of SMUAs has been less explored both in policies and studies so far, which up to now have focused on the role and issues of metropolitan areas and large cities. In order to facilitate the discussion and provide evidence base for it, the research report “Challenges of Small and Medium-Sized Urban Areas, their economic growth potential and impact on territorial development in the European Union and Latvia”¹ has been prepared. It also served as a basis for debates during the presidency meetings as well as one of the sources for preparation of the Declaration. The usefulness of the research report was appreciated by many Member States and partners, as it provides knowledge and better understanding of challenges of SMUAs, as well as their role and potential.

Based on the report a number of observations and conclusions can be made.

Europe is characterised by a more polycentric and less concentrated urban structure compared to other parts of the world. Only 12.3% of the EU population are living in cities with a population of over a million, while 24.2% live in SMUAs with a population of 5,000 to 50 000. In total there are 8,350 SMUAs in Europe.

SMUAs form an important intersection of large urban areas and rural areas as they have the function of a central place in many territories. SMUAs fulfil important economic and social functions being centres for jobs, public and private services, nodes of local transport, as well as centres for local and regional knowledge production, innovation and infrastructure for a large share of European population.

¹ Research report “Challenges of Small and Medium-Sized Urban Areas, their economic growth potential and impact on territorial development in the European Union and Latvia”, written by HESPI and EUKN and consulted by ESPON on behalf of the Latvian Presidency of the Council of European Union (The Ministry of Environmental Protection and Regional Development)



SMUAS are, therefore, essential to avoid rural depopulation and urban drift, promoting more balanced overall regional development. Yet they also contribute to development of metropolitan areas being connected in a polycentric network.

As the experience from Member States shows, SMUAs make a substantial contribution to the economic development of countries as the output of several dozens of SMUAs can be comparable to that of few metropolitan areas. Being regional and local drivers of growth they can be the key to improve the economic performance of the regions they are located in, especially if there are no large urban centres nearby.

Having a quarter of European population and being so numerous, the existing and potential collective contribution of SMUAs to EU common strategic goals is essential. SMUAs represent a location where poverty rates tend to be lower, at least in richer member states; in many cases SMUAs have relatively lower unemployment levels and they present more favourable environmental conditions, due to proximity to green areas and lower congestion levels. In SMUAs housing costs are comparatively lower making them a more affordable place to live. Taking into account all these characteristics, SMUAs have a huge potential to contribute to the achievement of the EU common strategic goals, especially regarding employment, climate change and energy sustainability and fighting poverty and social exclusion.

The challenges of SMUAs depend on their administrative role within their country, geographical position in terms of being a part of a metropolitan area, networked with other SMUAs, or autonomous, historical developments and current macro and regional trends, economic structure etc. Yet many SMUAs face a range of common challenges that need to be addressed from local, regional, national and EU level: declining and ageing population, outmigration of young people, low economic activity and diversity, lack of highly educated, skilled labour, job creation, provision of and access to services, insufficient connectivity, lack of access to financial resources and capital investments, insufficient administrative and technical capacity, energy transition and climate change.

SMUAs have significant development potentials that need to be utilised: great opportunities for balancing economic activity and quality of life aspects, more flexibility to shift development orientation and more agility for policy innovation and experimentation, implementing pilot projects in service delivery, citizen participation and other areas.

There are a number of preconditions and development directions to strengthen the economic performance and improve quality of life in SMUAs, thus increasing their contribution to development of regions, states and the EU. They include improvement of SMUAs connectivity and accessibility in terms of transport and ICT infrastructure, capital investments in both infrastructure and services, promotion of entrepreneurship and innovation and attraction and strengthening of human capital.

It is especially important for development of SMUAs to foster diversification of economic activities and smart specialisation, find solutions for provision of qualitative, accessible and cost-efficient public services and to generally improve their attractiveness. Also capacity building of local authorities, leadership of SMUAs and active involvement of local community and stakeholders in development of the territory that can provide additional resources and expertise, and facilitate discovering new development opportunities are essential.

SMUAs can be strong by working together. Cooperation between SMUAs is crucial as it

builds synergies and enables acquiring the critical mass of resources necessary for growth based on complementarity of roles and can prevent unnecessary mutual competition. Promotion of cooperation is essential at various territorial scales (urban-urban, urban-rural, including inner areas, cross-border co-operation within functional areas).

Taking into account their essential role in territorial development, the challenges and development potentials of SMUAs deserve attention from regional, national and EU governing institutions. It is necessary to provide territorial support measures that are comprehensive and flexible enough to enable any type of territory – urban, rural and areas with specific geographic features – to make the most of their territorial potentials.

Due to interdependency of SMUAs and other territories and their multi-sectoral challenges support measures have to be provided in the form of integrated and place-based mechanisms. Integrated regional and territorial development should be given priority when drafting plans for both urban and rural development. Coordination among sectors and among governance levels is important.

At the local level it is necessary to elaborate and implement integrated local strategies using participatory approach, responsible and well-balanced in terms of spatial planning, respecting local assets and using existing tools to develop the urban area and its hinterlands, including inner areas, in a sustainable way.

There is a need to ensure that EU level regulations and instruments allow Member States and regions to implement national and sub-national strategies facilitating development of all types of territories, including SMUAs.

II SUMMARY OF THE DISCUSSION REGARDING PROVISIONAL PRIORITIES OF THE EU URBAN AGENDA AND KEY MILESTONES IN ITS DEVELOPMENT

Provisional priorities of the EU Urban Agenda

During the informal meeting of Ministers responsible for territorial cohesion and urban matters on 10 June 2015, the provisional priorities of the EU Urban Agenda were discussed, based on the requirement of many Member States.

The discussion provided an approximate understanding of the thematic fields under which further agreements and compromises should be found.

Many meeting participants highlighted that EU Urban Agenda should be developed as an operational framework, which is linked to the effective implementation mechanisms at different governance levels.

Moreover it was mentioned that there is a need to identify a limited number of priorities, which inter alia should contribute to the achievement of the goals of the strategy Europe 2020 – smart, sustainable and inclusive. We shall focus on those priorities where action at European level can make meaningful and measurable difference.

In general, the meeting participants discussed urban priorities that are oriented towards competitiveness and economic development of cities and towns, high quality of life of inhabitants, and sustainable development. Urban development must be both socially responsible and environmentally innovative.

In that regard, among others, the following thematic issues were emphasised as potential

priorities of the EU Urban Agenda:

- ✓ growing poverty, including child poverty, social inclusion and employment, gender equality;
- ✓ changing of demographic pattern, ageing of urban population;
- ✓ smart solutions and innovation [including demonstration projects, experimentation]; digital technologies and solutions [including safe and secure data]; entrepreneurship, clusters of businesses;
- ✓ climate change and environmental issues, including air quality [pollution], decarbonising of cities and localising energy production, energy – efficiency, minimizing ecological footprint;
- ✓ integrated, sustainable and smart urban mobility [transport, logistics, infrastructure];
- ✓ urban regeneration and revitalisation of deprived neighbourhoods, segregated disadvantaged areas;
- ✓ accessible and affordable housing, more adjusted housing to the needs of elderly;
- ✓ intra EU mobility, sustainable management of migration:
 - Emigration of young and educated professionals;
 - Receiving and integrating immigrants, asylum seekers and refugees;
- ✓ security and safety;
- ✓ provision of basic services, including education, health, social services, meanwhile dealing with the high costs and affordability issues;
- ✓ environment, historic and cultural heritage [preserving unique characteristic of the European cities and towns];
- ✓ change of economic model, post industrialisation;
- ✓ governance and institutional capacity to urbanise properly, financial shortcomings to address urban needs;
- ✓ rational spatial development, in some cases dealing with shrinking of cities, in other - with rapid and spontaneous urbanisation and sprawl.

Some participants highlighted that Europe and its Member States should be able to address also important challenges and opportunities at a global scale, for instance climate change. In that regard, it is important to contribute to the preparatory process for HABITAT III conference and the New (UN) Urban Agenda development, representing the specificity of Europe's urban areas.

It was emphasized that EU Urban Agenda shall address the challenges of urban areas of different size, functions and location, providing territorially flexible solutions. The importance of dissemination of knowledge and best practice was mentioned as well.

Key milestones in further development of the EU Urban Agenda

During the Ministerial meeting further milestones towards the EU Urban Agenda were discussed, based on the Roadmap presented by the Netherlands, which is aiming at the

next political agreements regarding the EU Urban Agenda.

In general, the meeting participants acknowledged the Roadmap as a good basis for further work and expressed their readiness to contribute.

In that regard, many participants highlighted the importance of partnership in successful provision of the process. At the same time it is essential to keep that cooperation voluntary in its nature, following the subsidiarity and proportionality principles. The necessity to continue and strengthen intergovernmental process was emphasized.

The significant role of the European Commission and the European Parliament was mentioned in the development of the EU Urban Agenda. In that regard many participants of the meeting appreciated the activities already undertaken by the European Commission.

The involvement of private sector [public - private partnership] and civil society was recognised by some participants as significant precondition for successful handling of urban challenges.

Some stressed that it is essential to move from “words” to particular actions. Meanwhile, others noted, that there is a need to discuss the roadmap further and to specify a number of issues, including how to:

- ✓ prioritize relevant issues within a rolling Urban Agenda;
- ✓ make the discussion and exchange on the issues more effective and target oriented;
- ✓ secure that result of the work on Urban Agenda has an impact at EU, national, local level.

Regarding the working methods in development and implementation of the EU Urban Agenda it was emphasized that they should be light and efficient. It is significant to avoid unnecessarily duplication of work. It is important to be clear about responsibilities in terms of who does what.

The idea to develop some pilot projects, addressing particular urban challenges in a comprehensive and integrated way, was supported by several participants of the meeting.