

# **Technical Paper**

February 2019

# The renewal of the Territorial Agenda: issues at stake for the CPMR

## **IN A NUTSHELL**

As an 'interest group and think tank' representing the interests of peripheral maritime regions in Europe, the CPMR was one of the key initiators of the 'territorial cohesion' principle which eventually came into legal existence as part of the Lisbon Treaty in 2009.

The ongoing revision process of the Territorial Agenda 2020 offers an opportunity for CPMR to relaunch its reflections on the territorial dimension of future EU policies (post-2020 and beyond).

#### This Technical Note:

- offers a reminder of the purpose of the current Territorial Agenda and why its renewal matters for the future of EU strategies for the post-2020 period (section 1)
- summarises the key steps of the formal renewal process of the Territorial Agenda (section 2)
- explains why the Territorial Agenda matters to the CPMR and suggests possible ways in which the CPMR could contribute to the renewal of the Territorial Agenda (section 3)
- suggests a way forward for the CPMR to address the renewal of the Territorial Agenda (section 4)

## 1. Introduction and background

#### 1.1. What is the Territorial Agenda?

#### 5 Key facts about Territorial Agenda 20201

The Territorial Agenda 2020:

- provides a **political and territorial framework for the implementation of the Europe 2020 Strategy** and is closely linked the principle of territorial cohesion (shared between EU and Member States)
- is designed to make the **best use of the 'territorial capital' of each region and places**, and for a territorial coordination of all EU policies
- provides a clear **'raison d'être' for the EU Cohesion Policy** to achieve balanced territorial development across Europe, and refers explicitly to Articles 174 and 349 of the EU Treaty
- is generally considered to have had a **limited impact** due to the lack of political ownership (shared between the Member States and the Commission), the weak implementation in EU policies and the low visibility in the EU agenda in general
- is **undergoing a review process** which should lead to a new document to be approved under the German Presidency of the EU during the second half of 2020

#### 1.2. Contextualising the Territorial Agenda as part of EU strategic frameworks

The Territorial Agenda (TA) has traditionally been designed to support the EU long-term strategy set out for the decade. The TA 2020 is currently embedded into the objectives of the Europe 2020 Strategy.

At this stage, we do not know whether and how the Europe 2020 Strategy will be followed up after 2020. This begs a very simple question: where will the Territorial Agenda fit among EU and international strategies, and to serve which purpose?

#### Supporting the Sustainable Development Goals at EU level?

The recent European Commission's Reflection Paper "Towards a Sustainable Europe by 2030" issued in January 2019 suggests that the next EU strategic framework will be aligned with the <u>United Nations' 2030 Agenda for Sustainable Development</u> and its **17 Sustainable Development Goals (SDGs)**, which the EU and its 28 Member States have committed to implement.

These goals have gained strategic significance over the last months and may very well be transposed as the EU agenda for 2030. As put forward in the Reflection Paper, the Commission envisages a scenario 1 "An overarching EU SDGs strategy guiding the actions of the EU and its Member States" and a scenario 2" A continued mainstreaming of the SDGs in all relevant EU policies by the Commission", explaining that the eventual outcome would likely be a combination of both.

#### What about the post-2020 EU budget?

The review of the Territorial Agenda coincides with the ongoing negotiations on the next multiannual Financial Framework (MFF).

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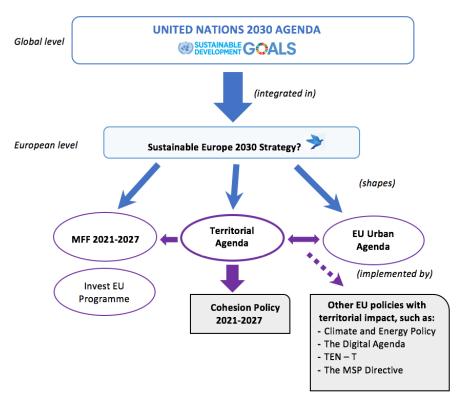
<sup>&</sup>lt;sup>1</sup> Please see Annex for a detailed overview of the Territorial Agenda process.

MFF negotiations already take into account the SDGs, as stated in the November 2018 <u>European Parliament's interim report on the MFF 2021-2027</u>: "the EU must deliver on its commitment to be a front-runner in implementing the UN Sustainable Development Goals, and deplores the lack of a clear and visible commitment to that end in the MFF proposals; requests, therefore, the mainstreaming of the SDGs in all EU policies and initiatives of the next MFF."

#### The role and place of the future Territorial Agenda

At the time of writing, we know the future Territorial Agenda (TA 2020+) should therefore:

- Directly contribute to the implementation of the UN's SDGs in European territories
- Guide the priorities of the post-2020 Cohesion Policy, which so far only supported the implementation of the TA to a limited extent<sup>2</sup>
- Complement EU strategies and policies with "strong" territorial implications towards the post-2020 period (environment, rural development, transport, climate policies etc.)



The place of the Territorial Agenda in the EU policy and strategy framework (CPMR interpretation)

In a context of rising global challenges which require integrated responses, scarcity of public resources, increased disparities between countries and regions of Europe, and risks of fragmentation of the EU with Brexit and the uncertainties of the next European elections, the Territorial Agenda is a unique opportunity to present a new and positive narrative for the future of the European Union.

It provides a consistent European framework to coordinate EU policies and the action of Member States, it links EU objectives with the priorities and needs of territories.

Conference of Peripheral Maritime Regions

<sup>&</sup>lt;sup>2</sup> According to the Report prepared at the request of the Polish Presidency, "How to strengthen the territorial dimension of 'Europe 2020' and EU Cohesion Policy based on the Territorial Agenda 2020" (September 2011) which states that the territorial dimension of EU Cohesion Policy is only taken into account trough Territorial Cooperation – other Cohesion Policy objectives are often implemented without sufficient attention being paid to specific territories.

# 2. The renewal of the Territorial Agenda: process and timetable

An intergovernmental Task Force was set up in 2018 by the Austrian Presidency and will be responsible for carrying out the renewal of the Territorial Agenda. The third meeting of the Task Force took place on 30 January this year.

At the time of writing, the CPMR understands that the work of the renewal of the Territorial Agenda in the Council is organised along three building blocks:

- Work on narratives, the strategic scope and the political embedding of a TA post-2020 (building block 1)
- Work on modernizing and up-dating the content of a TA post-2020 (building block 2)
- Governance and implementation mechanism for a renewed TA2020 (building block 3)

The broad timetable of the work of the renewal of the Territorial Agenda can be summed up as follows:

#### Romanian Presidency (until 30 June 2019)

The Romanian Presidency will aim to complete the first 'building block' of discussions linked to the narrative, the strategic scope and the political embedding of the Territorial Agenda. A questionnaire will also be launched at the end of February to start a consultation process with Member States on the three building blocks. A declaration linking the Urban Agenda to the Territorial Agenda is also due for adoption in June.

#### • Finnish Presidency (until 31 December 2019)

The Finnish Presidency will carry on with the work and is expected to focus on the content and implementation aspects of the Territorial Agenda. It will also draw a framework for pilot actions to support the Territorial Agenda, and establish some conclusions on the future of Cohesion Policy.

#### Croatian Presidency (until 30 June 2020)

The Croatian Presidency will seek agreement on both building blocks 2 and 3 (content and implementation) and is due to finalise a draft text, as well as a list of pilot actions and binding commitments of Member States to implement the Territorial Agenda

The Territorial Agenda 2020+ is then expected to be formally adopted under the German Presidency of the European Union (second half of 2020).

#### 3. Relevance to the CPMR

This section outlines areas where the CPMR could usefully contribute to the renewal of the Territorial Agenda. This is based on the work to date from the CPMR on relevant EU policy areas (and frameworks) and is by no means exhaustive.

#### Why the renewal of the Territorial Agenda matters for the CPMR?

- It is about providing a framework under which all future EU policies with a territorial relevance (post-2020 and beyond) operate
- It is about reflecting on the future Cohesion Policy (territorial tools for 2021-2027, and everything for the post-2027 period)
- It is about defining the role of regions in EU policies with a territorial dimension
- It is perfectly linked to core policy areas followed by the CPMR (cohesion, transport, maritime, macro-regional and sea-basin strategies, etc...)

If we understand the Territorial Agenda as 'a narrative for territorial development in Europe up to 2030 and beyond', then the CPMR could contribute to its development to ensure that its perennial policy messages on territorial development in the EU are upheld. These could be grouped under the three following statements:

- The territorial dimension of EU policies should be strengthened (3.1)
- All EU territories should be provided with equal opportunities for territorial development (3.2)
- Regions should be fully involved in shaping and supporting the Territorial Agenda (3.3)

#### 3.1 The territorial dimension of EU policies should be strengthened

The Territorial Agenda will provide a policy framework to enhance synergies and coordination under the umbrella of the territorial cohesion principle and be linked to policies of high priority for the CPMR: Cohesion policy, naturally, but also maritime policies having territorial impact, land-sea interactions or the TEN – T network.

Based on this, the CPMR has a certain degree of legitimacy to inform how the review of the TA could provide such a framework and to what extent future EU policies can have a "regional dimension resilience".

#### Link to EU investment policies and Cohesion Policy in particular

The CPMR has asked, historically, for an EU strategy for jobs and growth supported by a comprehensive Cohesion Policy. The rise of the importance of EFSI/Invest EU has called into question the nature of the EU investment policy(ies) and the place of Cohesion Policy. The absence of clear plans for a jobs and growth strategy following on from the Europe 2020 strategy makes it all the more confusing.

Any reflection on the post-2027 Cohesion Policy should be linked to the renewal of the Territorial Agenda and start at a basic strategic level: where does it fit as an investment policy and which strategy should it support? An adjacent question could be: where does Invest EU fit in relation to Cohesion Policy, in terms of sectors, intervention logic and general purpose?

The CPMR could also stress the key role of territorial cooperation (as part of Cohesion Policy and Neighbourhood policy) which constitutes one of the best EU policies for experimentation when implementing EU policies at territorial level.

#### • Link to maritime policies

The economic development of activities related to the maritime economy, generates different spatial dynamics across Europe, depending on the economic sectors. Spatial concentration trends of onshore activities related to the development of maritime industries, fishing or coastal tourism are for instance different.

The CPMR can contribute to the influence of the EU on these dynamics through the prism of the priorities of the strategies of smart specialisation implemented by the regions, as well as that of the location of the main maritime investments funded by the EU. The CPMR can also defend the objective of territorial cohesion in the context of its activities concerning maritime investments, in particular with regard to the EFSI / Invest EU and the Blue Invest platform set up by DG MARE.

Finally, the CPMR is also working on the interaction that spatial planning of activities related to the blue economy at Sea can have at land. This issue, which is related to the issue of land-sea interaction under the Maritime Spatial Planning Directive, is the one that the CPMR deals with in the context of 3 EMFF-funded projects on MSP in which it participates.

#### Link to transport policies

The CPMR could contribute to the ongoing reflection on supporting territorial development linked to transport from its own perspective, which is essentially about defending the concept of 'accessibility'. The risk is to see a revised TA which does not link the TEN-Ts (or the CEF) to the Territorial Agenda according to the priorities of the CPMR.

The CPMR could push for the development of an honest reflection on accessibility which essentially would link EU Transport policies and the concept of territorial cohesion.

#### Link to climate and energy policies

Climate change produces specific territorial impacts in coastal areas, particularly in terms of erosion and exposure to climatic hazards. These impacts are different depending on regions and sea-basins. The CPMR can contribute to the reflection on the support of the European policies to policies implemented by the regions, in terms of both prevention and compensation, and at both European and sea-basin levels.

Beyond these specific impacts in coastal areas, the CPMR can contribute to the reflection on how the on-going development of Integrated National Energy and Climate Plans (NECPs) and the mobilisation of European funds can best contribute to climate policies implemented by the regions, depending on the specificities of their territories and sea-basins.

#### Link to migration

Migration management should entail a multilevel governance approach, where each level of government can play its role and provide an added value, counting on adequate instruments (e.g. funding resources, multilevel cooperation mechanisms, competences), in both the internal (reception/integration) and external (cooperation) dimensions of migration policies.

Regions have a potential role to play and are already implementing actions at territorial level which complement the ones implemented by EU, national and local authorities.

The Territorial Agenda could consider the impact of migration on the territory, as well as the role of the regional and local authorities coping with the migration challenge on the ground, providing a framework for a stronger and coordinated territorial approach. The CPMR could contribute to this reflection from the angle of the potential of the regions, including in relation to how migration could be turned into an opportunity for territorial development (e.g. sparsely populated areas and relocation, integration/inclusion in employment/health system etc.).

The Territorial Agenda could also provide a global framework on how the new AMF, Cohesion Policy and ESF+ could better consider the impact on migration on the territories of Europe.

#### Link to macroregional and sea-basin strategies, and Neighborhood Policy

The renewal of the Territorial Agenda will also look for the experience of macroregional strategies as processes to enhance the territorial dimension of EU strategies. As it is structured on the basis of geographical commissions, the CPMR can very easily feed in that reflection and also mention sea-basin strategies and maritime initiatives (e.g. the West Med initiative).

Based on its experience, the CPMR could ask for a better involvement of regional and local stakeholders and for more linkages to both reinforce their implementation but also their interconnection.

Macro-regional and sea basin strategies very often also deal with EU's Neighbourhood East and South. The CPMR could continue to push for a 'territorialisation' of the EU Neighbourhood Policy. In the past, the CPMR has stressed the need to adapt Neighbourhood Policy to the concepts, instruments and methodologies of EU Cohesion Policy, leading on to territorial authorities (regions) being granted a more active role in the implementation and decision making.

This could also be linked to current reflections on the specific territorial dimension that should be ensured under the new Neighbourhood Development and Cooperation Instrument (NDICI) and the EU Plan for the External Investments in Africa.

#### 3.2 All EU territories should be provided with equal opportunities for territorial development

#### Giving 'territorial cohesion' the teeth it needs

The renewal of the Territorial Agenda provides a clear opportunity to refocus EU policy priorities to address recent academic research linking the rise of anti-EU populism with long-term economic and industrial decline in many areas across Europe.

The question addressed by the Task Force to renew the Territorial Agenda could not be more relevant for the CPMR: 'how can we better address left-behind places within the Territorial Agenda 2020+?'.

The CPMR could usefully feed into this reflection by stating the need for a broader strategy to support 'places that don't matter' at EU level and therefore give the concept of territorial cohesion some 'teeth'.

#### The Territorial Agenda should be about balanced territorial development

Discussions among Member States on the renewal of the Territorial Agenda suggest that it may have a very urban slant.

Urban areas are complex places with often high inequalities and concentrate many challenges in terms of sustainable mobility, social inclusion or biodiversity protection. However, the CPMR could say that the Territorial Agenda should not only support a SDG that looks after cities (SDG 11) but advocate a broader perspective of territorial development that also take into account less dynamic or less populated areas in peripheral regions. The Territorial Agenda should be seen as a first step towards a horizontal territorial dimension for all the SDGs, recognising the potential of every type of territory in delivering global and European goals

#### EU Treaty basis

The CPMR could also recall that the territorial cohesion objective and the need to pay attention to specific territories enshrined in Article 174 TFEU should be rightly mentioned in the Territorial Agenda. This could be linked to the forthcoming 10-year anniversary of the entry into force of the Lisbon Treaty (and the introduction of the principle of territorial cohesion) and the European Commission Staff Working Document on 'geographical specificities' due out in December 2019.

#### 4.3 Regions should be fully involved to support the Territorial Agenda

The CPMR could usefully recall the need for adequate involvement of regions in EU policies with a territorial relevance and the 'tools' needed to make it work.

At a general level, this could entail giving a proper meaning to 'ownership' with regions and their competences in relation to territorial policies. The CPMR could also state the need for decentralised policies at EU level (e.g Cohesion Policy but not only), and for a coherent and integrated approach to EU policy making.

#### Importance of shared management policies and partnership arrangements

The CPMR could recall the simple fact (as per the <u>position of the CPMR on future of EU budget</u> adopted last year) that many EU objectives are best supported thanks to policies under shared management (Cohesion policy and ESI funds).

The CPMR could further develop concepts such a 'smart regional concentration' in Cohesion Policy to provide regions the leeway they need to realise EU objectives based on endogenous potential, which is missing from the current reflection.

#### Implementing tools (CLLD, ITI, other...)

The CPMR, representing many regions with a formal involvement in the management of ESI funds, has some legitimacy to be involved in future processes building on the experiences of managing authorities of ESIF that have used **integrated territorial development strategies** in their operational programmes.

One could reflect upon the **Cohesion Policy territorial instruments** with CPMR Members: are the ITI/CLLD (also in relation to the Sea and the EMFF) working or should better/simplified instruments be developed? How the new Policy Objective (PO) 5 of post-2020 Cohesion Policy will be implemented by regional managing authorities and to what extent it will better support EU specific territories in addressing their needs?

And lastly, is the European Semester a relevant tool to coordinate and monitor the implementation of the Territorial Agenda? Linking this process with the Territorial Agenda could be seen as a solution to integrate a territorial dimension into the European Semester, as proposed by the CPMR in a <u>Technical note published in February 2018</u>.

#### Regional ownership of Territorial Agenda

An obvious message from the CPMR could relate to the need for **political ownership of the objectives of the Territorial Agenda at regional level.** Much of the failure of the Lisbon Strategy, Europe 2020 and the Territorial Agenda 2020 is attributed to the lack of political ownership of the objectives of the said strategies at local and regional level.

## 4. Next steps

- The CPMR will follow the development of the Territorial Agenda 2020+ and will engage directly with the three upcoming Presidencies by participating in meetings of the National Territorial Cohesion Contact Points (NTCCP), Member States' Director General Meetings responsible for Territorial Cohesion and informal Council meetings of Ministers on Cohesion Policy
- The CPMR will organise a reflection seminar with its Members at its next General Assembly meeting in September 2019 on the future of the Territorial Agenda
- The Territorial Agenda will be at the heart of the CPMR next strategic plan encompassing the policy areas the CPMR traditionally promotes and enhances
- The Strategic Plan will be presented at the next CPMR General Assembly

# Annex - What is the Territorial Agenda and where does it come from?

The Territorial Agenda (TA) process is closely related to the notion of territorial cohesion. This complex 'umbrella' concept gained momentum with each new EU enlargements and the need to pay attention to the evolution of the European territory and its balanced development.

Since the **Lisbon Treaty**, adopted in December 2007 and entered into force in 2009, territorial cohesion has become a fully-fledged objective of the Union, a shared competence between the EU and its Member States and the third dimension of the EU Cohesion Policy.

The CPMR has for a long time called for a more precise definition of the principle of territorial cohesion to be embedded in European documents. Territorial cohesion is more a process, a methodology, than a measurable objective in itself.

Already in 2007, the CPMR said that it should be based on a principle of solidarity between territories and on the recognition of the new geographical area which makes up the European Union. In that respect, territorial cohesion is "a matter of compensating, in a more subtle manner and on various levels, for the economic and social handicaps that European territories encounter in their geographical, economic and institutional diversities."<sup>3</sup>

# The origins of the Territorial Agenda of the EU *The initial strategic steps*

- There is no clear starting point in the debate on territorial cohesion in Europe, that goes back well beyond these last two decades, but one of the first key strategic European paper in that area is the **European Spatial Development Perspective (ESDP)** agreed upon by the ministers responsible for spatial planning and development in 1999.
- Issued on 25 May 2007 under the German Presidency, the "Territorial Agenda of the EU" (TA 2007), subtitled "Towards a more competitive and sustainable Europe of diverse regions" is considered to be the follow-up of the ESDP, and was developed by the same group of authors. The launch of the Territorial Agenda process is sometimes seen as a reaction from Member States to the prospect of the emergence of an EU territorial cohesion policy, arising from the new shared competence in territorial cohesion given to the European Commission in the Treaty establishing a Constitution for Europe in 2004 but rejected by France and the Netherlands in 2005.
- The Territorial Agenda was then defined as a "action-oriented political framework for cooperation between Member States, developed with the European Commission." Its general objective is "to secure better living conditions and quality of life with equal opportunities, oriented towards regional and local potentials, irrespective of where people live whether in the European core area or in the periphery." Among the six priorities laid down in this document the most significant ones and perhaps the most abstract are the promotion of the polycentric territorial development of the EU and the development of a European territorial governance between private and public stakeholders or even between rural and urban areas.

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<sup>&</sup>lt;sup>3</sup> Technical Paper from the CPMR General Secretariat, "The CPMR's expectations regarding the Territorial Agenda and the Leipzig conference", 12 March 2007

This strategic document was followed by a <u>First Action Programme</u> in November 2007 under the Portuguese Presidency, which put forward five guiding principles for the implementation of the TA 2007 (solidarity between regions and territories, multi-level governance, integration of policies, cooperation on territorial matters and subsidiarity) and five lines of actions for Member States and the European Commission.

- In the meantime in October 2008, the European Commission issued a <u>Green Paper on Territorial Cohesion</u>, entitled "*Turning territorial diversity into strength*" which was an attempt to give more substance and clarity to the principle of territorial cohesion and explore its implications for EU policy-making.
- The <u>Territorial Agenda of the EU 2020</u> (TA 2020) "Towards an Inclusive, Smart and Sustainable Europe of Diverse Regions" was launched in May 2011 under Hungarian Presidency as the first review of the TA 2007. It has been designed to provide a political and territorial framework for the implementation of the Europe 2020 Strategy, the 10 year-strategy prepared by the European Commission in 2010. It proposes six new "territorial priorities" for the EU, but they are more a reformulation of the priorities of the TA 2007 than a complete change of direction for the Territorial Agenda.
- This document is rather ambitious as it strongly advocates for making the best use of the "territorial capital" of each regions and places, and for a territorial coordination of EU policies: "in line with the Treaty on the Functioning of the European Union (Art. 174 and 175), all policies and actions of the Union should contribute to economic, social and territorial cohesion. Therefore, those responsible for design and implementation of sectoral policies should take the principles and objectives of the Territorial Agenda into consideration."
- The main messages of the TA 2020 were quite promising, as it underlined the key role of Cohesion Policy to achieve this balanced territorial development, promoted the development of specific regions of Europe, referring explicitly to Articles 174 and 349 of the EU Treaty and stressed the need to improve the involvement of local and regional authorities in the process.
- Nonetheless, in the years following the adoption of the TA 2020, the discussions on territorial
  cohesion have considerably slowed down and it is only in 2015 that these issues arose again on
  the agenda of the acting Presidencies. On November 2015, the Luxembourg Presidency agreed
  that the TA 2020 should not be reviewed until 2018, and that the process should be concluded
  by the end of 2020 under the German Presidency.

#### The key actors

- Historically the key actors involved in the Territorial Agenda process are:
  - **at political level**: the Presidency of the Council, the Ministers of the Member States responsible for Territorial Cohesion and Urban Development, in cooperation with the European Commission
  - **at technical level**: mainly the Network of Territorial Cohesion Contact Points (NTCCP) Directors General responsible for Cohesion Policy and Urban matters, ESPON and other relevant stakeholders, but always in cooperation with the acting Presidency and Member States.
- This division of work explains some of the **structural problems** associated to the process of the Territorial Agenda, such as the lack of political ownership, the weak implementation in EU policies or the low visibility in the EU agenda in general:

- First of all, the process is directly influenced by the style of each Presidency, in particular the own vision of the Member State on territorial cohesion issues and what policies or mechanisms should be implemented to address these issues. This vision often depends on the position of the country in Europe (core country or periphery/maritime or continental) and the legacy of its own national spatial planning policies.
- As for the Commission, which shares the competence of territorial cohesion with Member States, territorial issues were not often at the top of its overloaded agenda in the last few years, as it also depends on the position and influence of the responsible Commissioner and Director Generals of Commission services. In addition, the Commission remains a small administration for the EU level compared to the capacity of national administrations, and it has to face inherent limits in terms of staff resources or expertise



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The Conference of Peripheral Maritime Regions (CPMR) brings together some 160 Regions from 25 States from the European Union and beyond.

Representing about 200 million people, the CPMR campaigns in favour of a more balanced development of the European territory.

It operates both as a think tank and as a lobby group for Regions. It focuses mainly on social, economic and territorial cohesion, maritime policies and accessibility.

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