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Inspire Policy Making with Territorial Evidence

POLICY BRIEF

Cross-fertilisation of cohesion policy and spatial planning

It is incumbent on governments at all levels to ensure that cohesion policy is efficient and helps deliver territorial cohesion. Spatial planning tools can play the key role in ensuring that in the countries and regions that receive cohesion policy funding the combined territorial impacts of cohesion policy and other sectoral policies are positive. However, the cross-fertilisation of cohesion policy and spatial planning is often very weak. Spatial planning in countries and regions is too often poorly prepared to assist with territorial coordination of investments. Cohesion policy has increasingly paid attention to the territorial dimension, but inefficiencies and outcomes that have not grasped opportunities for synergy with other sectors remain. There is still work to be done to ensure that cohesion policy achieves its full potential for sustainable development that builds cohesion and resilience. Enhanced cross-fertilisation of cohesion policy and an invigorated spatial planning system offer great potential benefits.

Long-standing calls for consideration of the territorial dimension in EU policy, or ‘the place-based approach’, are reflected in territorial integration initiatives in cohesion policy. There is also a growing trend for spatial planning systems to embrace the integration of sectoral policies and more adaptable policy tools at national, regional and local levels. Drawing on real experiences across Europe, seven practical steps are proposed that may enhance cross-fertilisation in the short term. They complement current trends and could guide and accelerate the achievement of a more territorially sensitive and efficient cohesion policy. For each step a summary of actions that will facilitate cross-fertilisation is given. This provides a checklist for reflection on current practices and the design of initiatives according to local conditions and practices.

KEY POLICY MESSAGES

- The need for repair and recovery in a post-pandemic Europe places an obligation on policymakers in all sectors to work cooperatively with other policy sectors and stakeholders towards a strong, efficient and socially inclusive response. This demands cooperation and the coordination of policy and investment through a place-based approach.
- Cohesion policy during the 2014–20 programming period introduced a number of tools for improving the coordination of EU investments by EU Member States in specific territories. The present cohesion policy period (2021–27) introduces several provisions that have the potential to improve cross-fertilisation in national programming and budget allocation. However, domestic policy to strengthen the territorial coordination of cohesion policy with other sectoral policies is very much needed to counter inefficient, less effective and sometimes counterproductive interventions.
- Future success in coordinating the combined impacts of cohesion policy and other sectoral policies is highly dependent on choices made in EU Member States. In principle, spatial planning is the Member States’ primary means to assist in the place-based coordination of sectoral policies, but there is often little cross-fertilisation with cohesion policy as carried out in these countries. Thus, in most places it does not deliver on this potential. Where cross-fertilisation is not working, there is much to be gained from understanding why and acting immediately.
- There are many good examples of initiatives that strengthen cross-fertilisation of cohesion policy with spatial planning, reducing wasted resources and reinforcing positive cohesion benefits. Governments and other stakeholders at all levels should consider how they can learn from these examples. They can benefit in the short term from taking steps to mainstream good practices. Investing in the reform of spatial planning tools so that they are better prepared to undertake a territorial coordination role will pay dividends in the medium term.

1 Introduction

EU cohesion policy and other sectoral policies have a positive impact on the social and economic life of cities and regions. Sectoral investments and policies deliver vital benefits to places, but their efficiency and equity objectives can be compromised if they do not consider and act on relationships with other related sectoral policies. Effective coordination can ensure that potential synergies among sectoral policies are realised, and that unproductive or incompatible actions are avoided. This is what European citizens expect from the EU and their national and local governments when translating EU cohesion policy into national programmes and budget allocation.

Intensive competition between cities and regions that undermines social cohesion and increases disparities has long since drawn attention to the need for more effective joint working across sectoral policies, across administrative borders and between levels of government. In the 2020s, the priority is to repair and recover in the post-pandemic era through NextGenerationEU, which reinforces the arguments for cooperation and coordination (European Commission, 2020).

In 2009, Barca (2009) drew attention to a deficit in strategic planning underpinning the formulation and implementation of cohesion policy. He raised the potential of adopting a place-based, territorial perspective to ensure efficient use of resources and to encourage institutional reforms. In its 2020 guidance on post-pandemic recovery, the Organisation for Economic Co-operation and Development also emphasises the value of a 'place-based approach' in avoiding disjointed policies and unnecessary competition for resources (OECD, 2020).

Successive rounds of cohesion policy have introduced strategic planning mechanisms and strengthened coordination, with some funding targeted at integrated actions in specific places (discussed below in section 2.2) to stimulate national and local governments for improved coordination. Nevertheless, there continue to be many examples where cohesion policy and other EU and national sectoral policies undermine broader objectives for sustainable development, territorial cohesion, tackling the effects of climate change and strengthening the resilience of places.

Spatial planning tools can play a key role in ensuring that the combined territorial impacts of cohesion policy and other sectoral policies are positive. The key word here is **cross-fertilisation: the interaction between sectoral policy decision-makers that creates complementarity, increases efficiency through synergy and avoids the costs of non-coordination.**

There are different degrees of cross-fertilisation, from completely integrated, involving the sharing of policy, through cooperation and information sharing, to complete separation (Stead and Meijers, 2009). There are many tools available that may assist with cross-fertilisation, involving, for example, data sharing, communication, ad hoc agencies, impact analyses and joint plans.

The role that can be played by spatial planning and 'place-based policy' in cross-fertilisation was first mentioned by the 1999 European Spatial Development Perspective (Committee on Spatial Development, 1999) and later by the 2009 Barca Report. Spatial planning and place-based policy mean the injection of an explicit spatial dimension into sectoral policymaking, and cooperation on policymaking along three dimensions – vertical cooperation between administrative levels, horizontal cooperation between sectoral policies and geographical cooperation across jurisdictions – each of which has particular demands.

The term 'sectoral policy' refers to the division of policymaking and implementation into sectors – such as economic, transport, agriculture, environment and energy – which is reflected in the organisation of the EU and national governments. Cohesion policy is such a sectoral policy, as it primarily seeks to strengthen economic and social cohesion. Spatial planning is also sectoral policy, and it has a specific role in managing place-based development. 'Spatial planning' is used here as a generic term to cover the many names given by different countries to this aspect of government. In the broad sense, spatial planning is a sectoral policy that can cross-fertilise with other sectoral policies, but it can also promote cross-fertilisation across all sectors through its territorial place-based strategies and plans. Spatial planning needs to cross-fertilise with sectoral policies that have a significant territorial impact to be effective in its overall cross-fertilisation role. First among these sectoral policies for many countries is cohesion policy, which, conversely, needs to cross-fertilise effectively with spatial planning to be efficient in its place-based effects.

Conditions for cross-fertilisation in countries and regions can be very different in terms of the capacity of the spatial planning system to engage with sectoral policy, and in terms of the significance of cohesion policy in relation to overall investment, as shown in Figure 1 (and explained further below).

Cross-fertilisation of spatial planning with cohesion policy and other EU sectoral policies, such as transport and the environment, is likely to improve the efficiency and social inclusiveness of investment. Spatial planning could also help to steer sectoral policies towards meeting broader

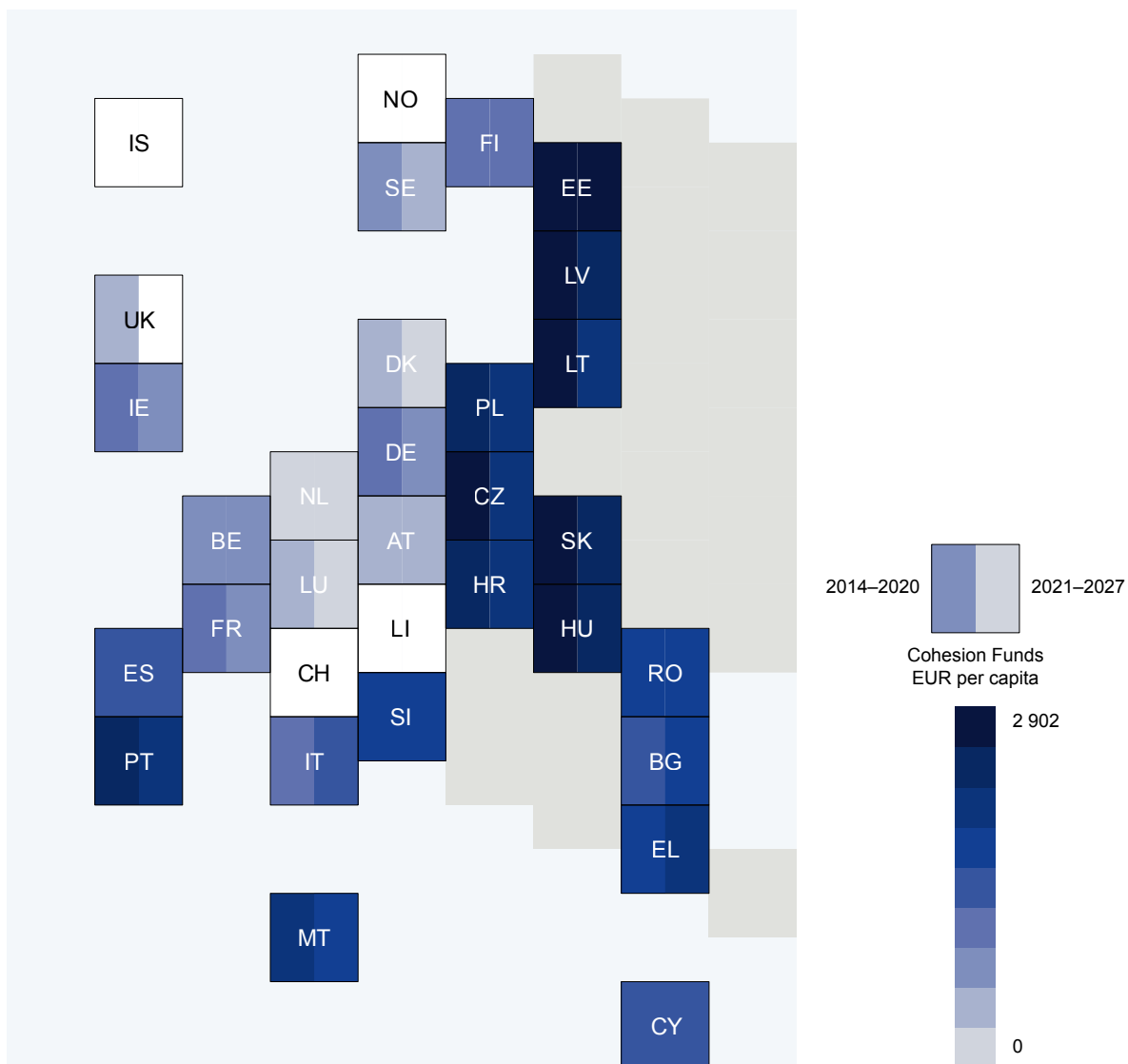
policy objectives by, for example, assessing the territorial impact of sectoral policies and facilitating cooperation and coordination. In practice, in many places, spatial planning is rarely able to play this role because of its weak relationship with other sectors, and because it is often poorly prepared in terms of capacity and available tools. The many tools that can support cross-fertilisation are reviewed below.

This policy brief provides a summary of practical steps and actions that can be taken to strengthen cross-fertilisation between cohesion policy and spatial planning for their mutual benefit. It draws on findings of the ESPON – European Territorial Observation Network Comparative Analysis of Territorial Governance and Spatial Planning Systems in Europe (COMPASS) project (ESPON, 2018a) on trends in spatial planning systems since 2000 (see

Box 1). Those findings have been deepened in 2021 in a follow-up project that examined the cross-fertilisation of cohesion policy and spatial planning through, first, a case study of practices in Czech Republic, and, second, a dialogue with experts across Europe on potential good practices (see Box 2).

These sources are used to explain the current state of cross-fertilisation of cohesion policy, spatial planning and other sectoral policies in Europe; to highlight the factors that facilitate or hinder cross-fertilisation; and to make recommendations on what actions can be taken immediately and in the medium term. We pay particular attention to the context established by the reformed cohesion policy period 2021–27 and the Territorial Agenda 2030 (European Commission, 2021).

Figure 1
Cohesion policy allocations in 2014–20 and 2021–27



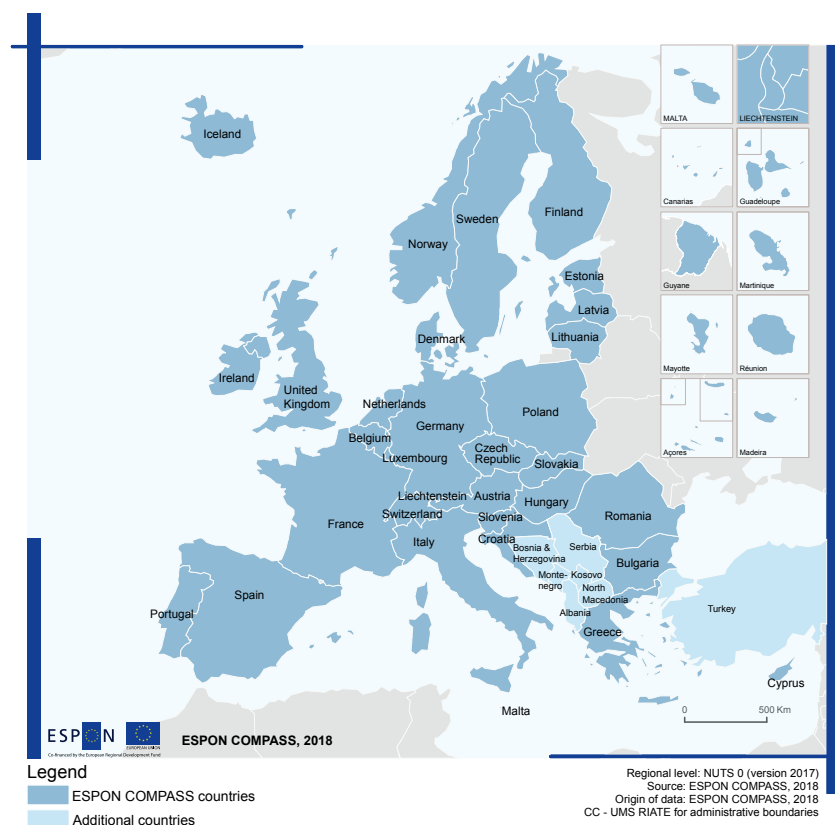
Source: Author’s own geographical representation based on data from Bachtler et al. (2020, p. 19).

BOX 1**ESPON COMPASS (2018)**

The objective of the COMPASS project was to provide an authoritative comparative report on changes in territorial governance and spatial planning systems in Europe from 2000 to 2016. The project provided not a 'snapshot' of spatial planning systems but an assessment of trends in the place-based approach, in the context of the potential contribution of spatial planning to EU and national sectoral policies.

Findings for 32 countries are based on data provided by 'country experts' with in-depth experience of the organisation and practice of spatial planning and EU policy, and four in-depth case studies on the relationship between cohesion policy and spatial planning on the priority issues of the Territorial Agenda 2020. Data were collected through two detailed questionnaires, the first on changes in formal arrangements for territorial governance and spatial planning, and the second on actual practices. The case studies used desk research, interviews and focus groups.

Figure 2
Territorial scope of the COMPASS project



The ESPON COMPASS project confirmed that many incremental changes in spatial planning systems had been made that in many countries amounted to significant reform. Common features among countries (although not uniform) were decentralising competences; increasing collaboration of planning authorities in functional regions; and increasing use of strategy in the planning toolbox. The practice of spatial planning is ubiquitous, with a huge number and range of plans prepared, but doubts were raised over the actual influence of many plans on spatial development, especially in places badly affected by the banking crisis of 2008.

The EU has a big influence on reforms in domestic territorial governance and spatial planning systems, especially through legislation and policy in the environment, transport and energy fields. European Territorial Cooperation (Interreg) and the territorial agendas had less impact, although new Member States were more receptive to EU concepts and ideas inspiring domestic approaches.

Cohesion policy often has a direct impact on physical spatial development through funded projects. The effect of funding may be to support planning strategies and policies, as in the case of infrastructure projects promoting increased urban densities, or undermine planning where spending on infrastructure has facilitated fragmented suburbanisation owing to an increase in the accessibility of particular places and areas. Despite many reforms, planning in many countries is not well prepared to take on the task of steering such investments. ESPON COMPASS provides examples of good practice in cross-fertilisation, which are carried forward into this brief.

BOX 2

ESPON COMPASS spin-off project: Czech case study and dialogue with experts (2021)

The ESPON COMPASS Dialogue and Case Study project was undertaken to update and deepen the findings from the 2018 COMPASS project, to test recommendations for good practice against real-world situations and to identify key measures that may facilitate cross-fertilisation.

The **case study** was part of ESPON's commitment to increase the relevance and application of its results in concrete policy processes. It was undertaken in Czech Republic at the invitation of the Czech government, which provided valuable assistance with the project, including access to senior officials. The objective of the Czech case study was to investigate the scope for cross-fertilisation of cohesion policy, spatial planning and other sectoral policies in a country where cohesion policy plays a significant part in spatial development and drives changes in territorial governance. The case study entailed a survey and interviews with key actors in cohesion policy and spatial planning, an online 'interactive workshop' with international experts and further discussion with Czech experts around a preliminary working paper.

The findings from the Czech case are also relevant to other central and eastern European countries that, since accession, have undergone far-reaching reforms in their society and economy and a huge influx of investment. They show that cohesion policy and domestic spatial planning are effectively operating in 'parallel universes'. A reactive spatial planning and professional planning culture is largely driven by sectoral policies, and is poorly prepared to work with cohesion policy in which there is limited consideration of the contribution to spatial development. However, it also found much potential in a mature, fully developed spatial planning system, and consistent, predictable cohesion policy funding over a well-defined period.

A separate report on this project provides a set of practical and strategic recommendations for strengthening relations between spatial planning, regional policy and EU cohesion policy in the country.

The broader **dialogue** was undertaken to seek input about experiences of cross-fertilisation in the 32 countries covered in the original ESPON COMPASS project. The objectives were to understand the state of cross-fertilisation across Europe; to identify the common factors that facilitate or hinder cross-fertilisation; and to identify practical steps that can be taken to enhance cross-fertilisation.

A questionnaire was sent to experts with deep knowledge of either cohesion policy or spatial planning in the 32 ESPON countries, including the 'country experts' who were commissioned to contribute to the ESPON COMPASS project, members of the ESPON European Grouping of Territorial Cooperation Monitoring Committee, the ESPON national contact points and selected experts in the operation of cohesion policy in the Member States.

A total of 72 experts representing 29 countries responded. The experts reported that cross-fertilisation is weak in most countries primarily as a result of political priorities, although many other factors play a part. The receipt of more cohesion policy funding does not stimulate stronger cross-fertilisation. The dialogue produced a comprehensive review of measures that are being used or offer potential to enhance cross-fertilisation, as explained in this brief.

2

The challenge of connecting cohesion policy and spatial planning

2.1

Why strive for cross-fertilisation? What are the benefits?

EU cohesion policy and spatial planning policies have complementary and interrelated purposes. EU cohesion policy and other EU sectoral policies provide funding to strengthen economic investment, employment and innovation; to promote more sustainable development; to enhance resilience to shocks and the impacts of climate change; to widen accessibility to services; and to build institutional capacity at all levels. Spatial planning employs strategy, policy and regulation to shape the spatial development of territories; to coordinate and combine investment in the most appropriate places; to protect sensitive environmental and cultural assets; to enhance the liveability of urban and rural environments; and to ensure all citizens have access to the opportunities and services they need. In essence, cohesion policy and spatial planning have the common goal of territorial cohesion.

Cohesion policy and spatial planning come together because of the spatial nature of all sectoral policies – they have effect in particular places in our neighbourhoods, cities and regions. This obviously applies to physical transport infrastructure and environmental policy, but is also true of other sectors, such as health, research and energy, whether explicitly targeting places or not. ESPON has addressed this in a number of territorial impact studies that focus either on methodology or on specific policy domains. Spatial effects of policies are especially evident in the case of cohesion policy, which can have a decisive influence on the quality of places and the well-being of citizens. Where cohesion policy is significant, it can even act as *de facto* spatial planning, shaping the spatial development of the territory. It matters where we invest.

In particular places, the challenge of coordinating the actions of independent policy sectors becomes most apparent. Good communication and a measure of coordination between sectoral policy and spatial planning leads to positive synergy. Poor communication can waste money and resources (Robert et al., 2001). Aspatial policies may overlook opportunities, and sometimes produce contradictory outcomes, which, in turn, may undermine political and social support. There are many examples, including investment in transport infrastructure that leads to

fragmented suburbanisation of cities and overexploitation of environmental resources; renewable energy subsidies that undermine local food production as land is taken away; and economic development in places not well served by infrastructure.

An example of how otherwise welcome cohesion policy investment can have a detrimental territorial impact is the emergence of ‘islands of prosperity’, where funding allocated on sectoral lines and a simple division of the territory into urban and rural areas has deepened spatial disparities. In these cases, there is little cross-fertilisation of cohesion policy with spatial planning, and weak consideration of the wider territorial impacts of investment. Funding has been targeted at the main urban areas, where there is ready potential and capacity in terms of the provision and concentration of infrastructure to meet objectives for growth and innovation. However, this investment has indirectly fuelled rural–urban migration and undermined territorial cohesion. Another common challenge is the fragmented and competitive institutional environment in metropolitan regions where investment in infrastructure can exacerbate competition, encourage fragmented development and lead to environmental losses. Box 3 gives an example from Hungary.

There have been long-standing calls for more effective coordination of sectoral policies that pays attention to understanding trade-offs, to mitigating harmful impacts of externalities, and to exploiting potential synergies. Thus, successive reports such as those on economic, social and territorial cohesion (the latest, seventh, report covers progress since 2017) (European Commission, Directorate-General for Regional and Urban Policy, 2014, 2017), and the 2009 report on *An Agenda for a Reformed Cohesion Policy* (known as the Barca Report, mentioned in the introduction) have called for more attention to the spatial dimension in cohesion policy and a ‘place-based approach’ (see also Böhme et al., 2011).

Steps have been taken to strengthen spatial thinking in cohesion policy, and to build the capacity of spatial planning systems to assist in the territorial coordination of sectoral policies, as explained below. Critical cross-cutting objectives, such as more sustainable development, mitigating climate change, and resilience to economic, environmental and health crises, demand an integrated policy response.

In principle, spatial planning systems should play a major role in enabling sectoral policies to take a place-based approach. In some places planning systems are certainly doing this, but in many parts of Europe ‘planning’ has a

narrow sectoral approach concentrating only on regulating land use and physical urban form. The coordination of other sectoral policies irrespective of their origin in EU, national or subnational governments becomes highly difficult.

BOX 3

Challenges of coordination and cross-fertilisation in Budapest

Policy for the Budapest city region is influenced by more than 80 municipalities, and many sectors and layers of government agencies and private investors. However, programming and spending of cohesion policy is centralised, while autonomous municipalities are responsible for urban development strategies within their borders. The COMPASS project found that fragmented and complex planning institutions, the mismatch of administrative areas for cohesion policy and for spatial planning and the lack of ‘geographically’ flexible governance are major challenges. There has been no clear regional concept to guide project formulation and implementation, while cooperation has been undermined by competition for funding.

Considerable efforts have been made to build institutions, partnerships and spatial planning capacity to shape the impact of cohesion policy and sectoral policies to promote balanced development and a ‘compact city’. The Pest county and Budapest city governments have adopted common goals, and an urban development strategy has been introduced following the engagement of stakeholders that aims to provide coordination at the regional level. This suggests that engaging stakeholders outside government administrations may lead to policy innovation.

See ESPON (2018b, pp. 113–117) and Maier et al. (2021).

2.2

How does EU cohesion policy deal with the territorial dimension?

Does cohesion policy address the territorial dimension and integration with other sectoral policies? Reforms of cohesion policy have worked towards a more strategic underpinning for national and regional programmes and investments, which to some extent considers the spatial distribution of funding and interaction with other sectoral policies. It is important to underline that EU cohesion policy works not directly but through national and regional programmes prepared by Member States and negotiated with the European Commission.

Specific provision was made in 2014–20 for combining funds and objectives across sectors in a place-based approach through community-led local development (CLLD) and integrated territorial investment (ITI) (Ferry et al., 2018). The regulation laid down a minimum requirement of 5 % of the national European Regional Development Fund to be allocated to sustainable urban development through CLLD and ITI. Such integrated investments have been broadly welcomed. They have also had success in encouraging a joined-up approach and ‘cooperative culture’

in particular types of areas, such as functional city regions, although they have also faced challenges and made varied progress. Integrated development actions account for a small proportion of cohesion policy funding. The territorial strategies on which they are based are substitutes for spatial planning (and sometimes connect with it).

For 2021–27, novel tools and approaches have been introduced that may enhance cross-fertilisation when used properly in national and regional programming and decision making on budget allocation by managing authorities. The first is the introduction of a place-based and horizontal policy objective known as ‘a Europe closer to citizens’. This is intended to give managing authorities the flexibility to programme their own models of integrated territorial development. The second is the requirement that territorial delivery mechanisms – such as ITI and CLLD, and other territorial tools – are to be accompanied by local/territorial strategies based on cross-sectoral and multistakeholder approaches. The third is the opportunity for territorial delivery mechanisms to target predefined and diverse types of areas, such as specific types of urban areas, and others with particular characteristics, such as sparsely populated areas. The fourth is the requirement for a minimum national allocation of at least 8 % of the

European Regional Development Fund to integrated sustainable urban development strategies. Other innovations are related to Interreg, including a new specific objective, ‘a better cooperation governance’, providing support for legal and administrative cooperation, for capacity building for macroregional and other territorial strategies, for trust building and citizens’ cooperation or for other actions supporting better cooperation governance.

These initiatives are welcomed because they will certainly have a positive effect on cross-fertilisation and ensure more attention on the combined effects of cohesion policy funds and other (EU and national) sectoral policies. However, they

still account for only a small proportion of cohesion policy funding. In addition, they are additional initiatives from within cohesion policy. Where spatial planning works well in territorial coordination of sectoral policies, it is already doing this job in routine plan making, and with, for example, strategies for functional regions through multiagency collaboration and multisectoral integrated small area plans for neighbourhoods. There is considerable potential in ensuring that spatial planning systems are willing and able to perform this role alongside the special initiatives in more places. Indeed, there is a need to do much more, as explained in the next section.

3

What is the state of cross-fertilisation in practice?

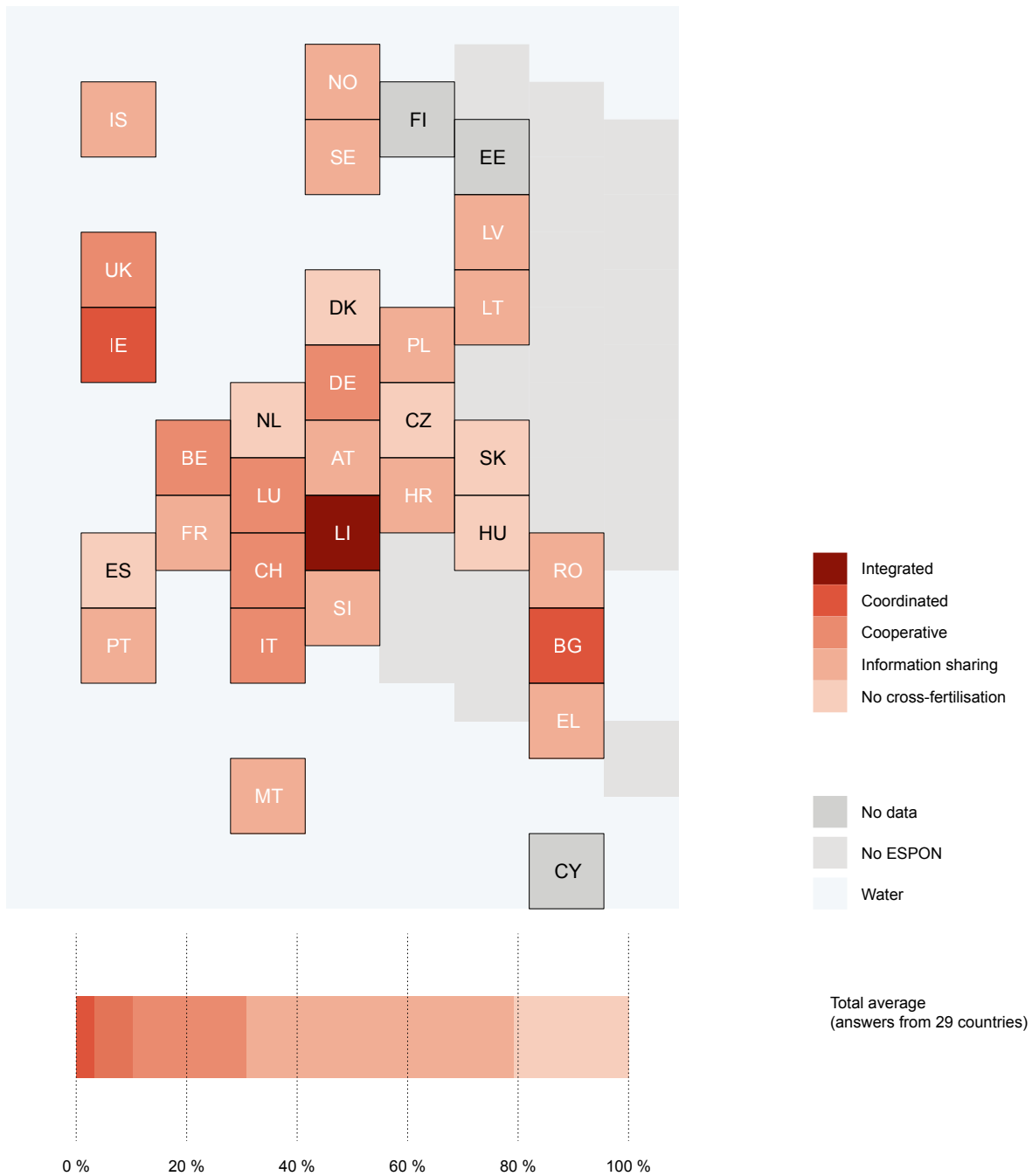
Feedback from the dialogue with experts in 29 European countries (Box 2) confirms that cross-fertilisation between cohesion policy and spatial planning is generally weak. We used a five-point scale of the depth of cross-fertilisation to evaluate practice, following a similar approach to that used in the 2018 COMPASS project. It reflects the degree of interaction and resulting interdependence among policies, which may be (1) integrated (combined policies and shared policy goals); (2) coordinated (visible efforts to align policies and measures to achieve compatible outcomes); (3) cooperative (interaction between sectors but sectoral policies remain independent); (4) information sharing (recognising and referring to other sectoral policy, but making no further effort towards harmonisation); or (5) no cross-fertilisation (no tangible relations with or recognition of other sectors).

Experts from 6 out of the 29 countries said that there was no cross-fertilisation in their country, and experts from 14 countries reported that existing cross-fertilisation could, at best, be described as information sharing (see Figure 3). Fewer than a fifth (18 %) of 72 respondents indicated that

overall cross-fertilisation was coordinated or integrated. Only four respondents said that cross-fertilisation in their country could be described as integrated.

Some respondents in the dialogue were from non-EU countries that do not receive EU cohesion funding. These respondents reacted based on experience in cooperation programmes only (three non-EU countries may, for instance, participate in Interreg during 2021–27 – Norway, Switzerland and the United Kingdom – but the budgets are very small). Some respondents pointed to very different levels of cross-fertilisation for regions and cities in their country. In addition, there was some disagreement among respondents from the same country, particularly for Belgium, Greece and Italy. The earlier 2018 ESPON COMPASS report gives a more positive view of the trends towards increased cross-fertilisation since 2000. These mixed findings clearly call for more in-depth future research on the quality of cross-fertilisation, although the general conclusion of weak cross-fertilisation stands.

Figure 3
Overall evaluation of cross-fertilisation between cohesion policy and spatial planning



Source: Responses from spatial planning and cohesion policy experts in the ESPON COMPASS interactive dialogue questionnaire.

In explaining the low level of cross-fertilisation, a typical response is that the (national) strategies and programmes for cohesion policy and spatial planning are prepared in different departments by officials who have little contact with or interest in other departments; they follow different logics and use separate procedures and instruments on different timescales. The lack of cross-fertilisation in some countries is reinforced by lack of alignment. Competence for cohesion policy is concentrated at the national (or state) level, and spatial planning tends to be more important at the

subnational, and especially local, levels. There was mention that the original spatial planning focus of Interreg had shifted more towards sectoral priorities. In addition, cohesion policy programmes and sectoral plans do not generally involve a spatial dimension, and often take precedence over spatial plans. They may share terms such as ‘integrated approaches’, but the reality in their implementation is rather different. These characteristics were evident in the Czech case study, as summarised in Box 4.

BOX 4**Challenges and potential of cross-fertilisation in Czech Republic**

The case study of cross-fertilisation in Czech Republic highlighted substantial institutional and cultural challenges facing relationships between cohesion policy, spatial planning and other sectoral policies, but also certain potential that offers opportunities to make progress on cross-fertilisation. These characteristics are common to many countries, especially those in central and eastern Europe and/or those in receipt of significant cohesion funding.

Challenges:

- separate strong policy silos for regional economic policy and spatial planning;
- a reactive planning system that records sectoral policies with little ambition to coordinate;
- weak capacity for strategic planning for investment, and lack of attention to the longer-term effects of investment projects on territorial cohesion;
- use of incompatible data sets by sectors that are not shared;
- local interests determining investments and lack of scrutiny;
- dominance of a top-down government culture and weak capacity to collaborate and compromise;
- low awareness of wider public interest goals and wider externalities of investment;
- a substantial gap between formal planning policy and actual practices.

Potentials

- strong legal setting for spatial planning, with mature, comprehensive, well-developed institutions and plans;
- legal protection for public goods, the environment and critical natural assets;
- increasing public interest in spatial planning and a shift in attention from spending to achieving strategic goals.

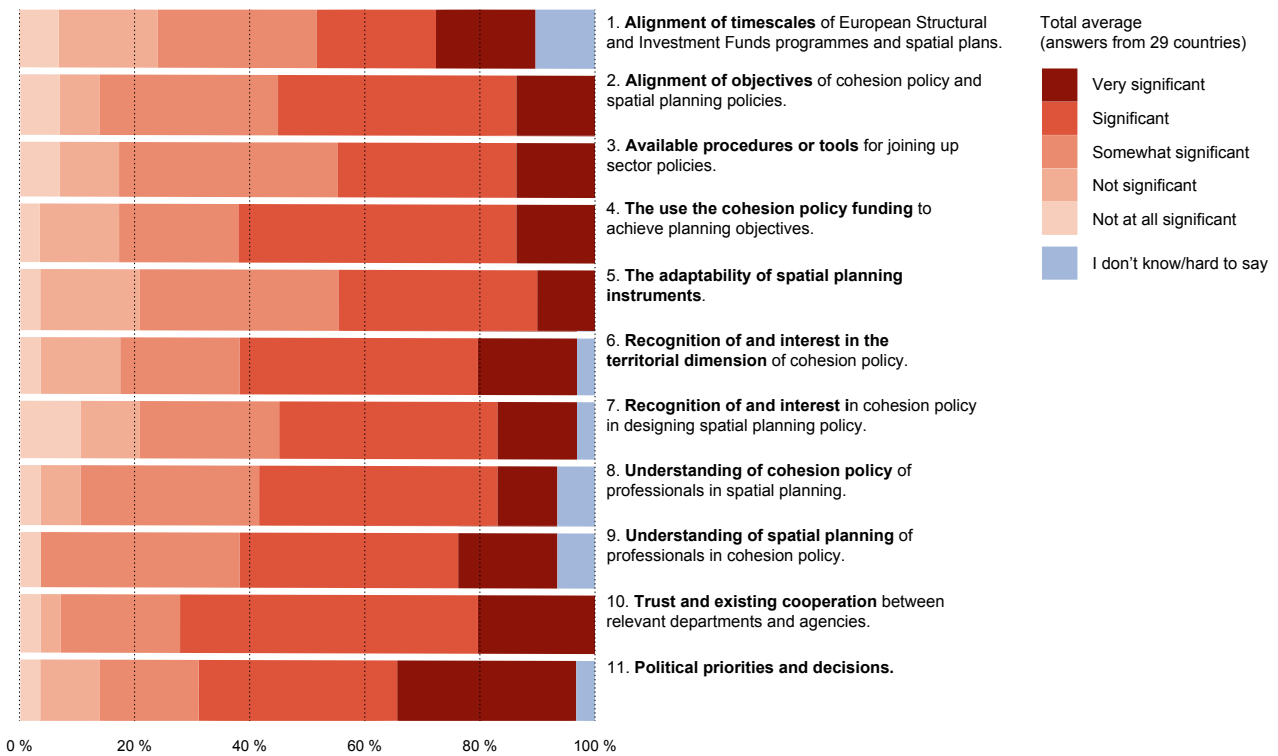
See Maier et al. (2021)

Where there was a more positive experience of cross-fertilisation, it was explained with reference to arrangements for exchange by the location of sectors in the same ministry or other formal joining-up opportunities, and the joint production of strategies and plans that provided a guide for aligning actions in the preparation of sector plans. It is also suggested that cross-fertilisation works more effectively when competences rest at the subnational level, and, similarly, that it is easier in smaller countries.

It can therefore be concluded that there are multiple reasons for countries' differing performance in cross-fertilisation,

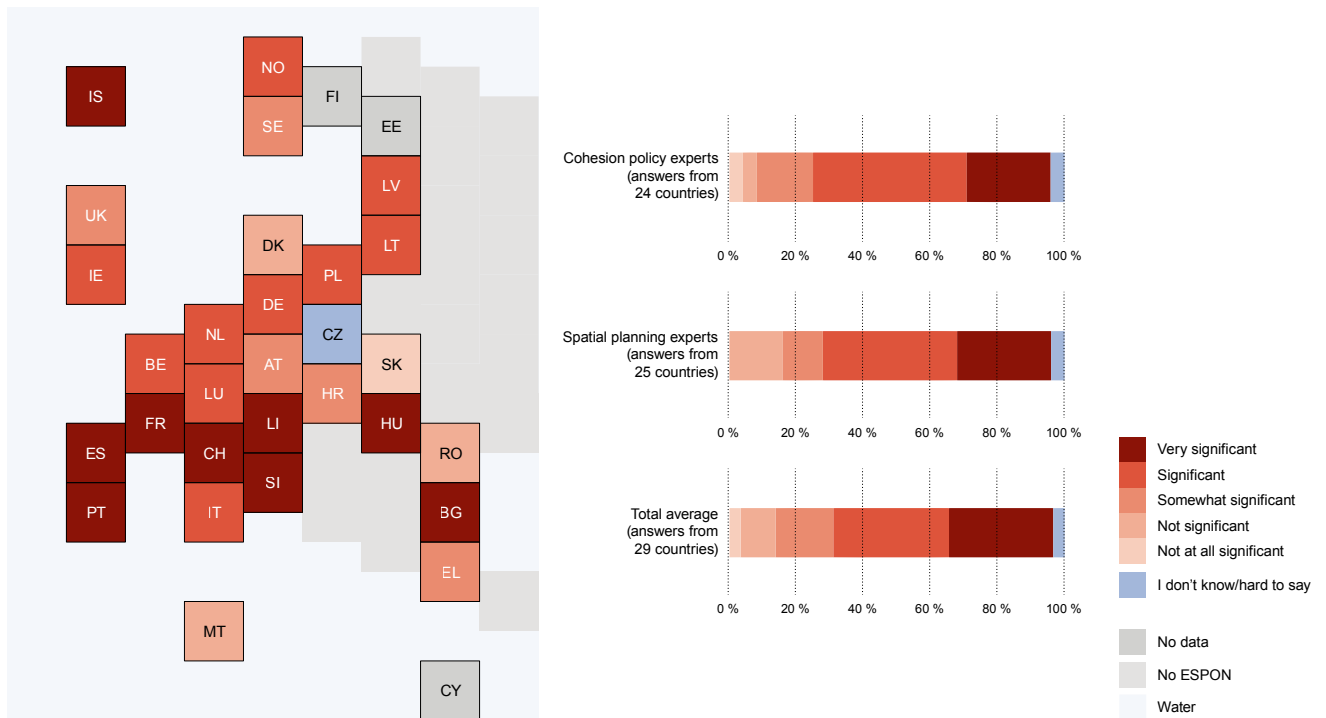
and no one factor is dominant. In assessing the effect of 11 factors that may facilitate or inhibit cross-fertilisation, the experts indicated that they were all important to some degree. There was most agreement about three factors, as shown in Figure 4: political priorities, trust and existing cooperation between departments, and the understanding of spatial planning held by those responsible for cohesion policy. However, the main message is that there is no simple solution, and improving performance will require action across the board.

Figure 4
Significance of factors in determining the effectiveness of cross-fertilisation



Source: Responses from spatial planning and cohesion policy experts in the ESPON COMPASS interactive dialogue questionnaire.

Figure 5
Significance of political priorities and decisions as factors determining the effectiveness of cross-fertilisation



Source: Responses from spatial planning and cohesion policy experts in the ESPON COMPASS interactive dialogue questionnaire.

Some of the factors in Figure 4 suggest solutions that can be more readily addressed, while others are deeply rooted in the institutional structures for spatial planning and the management of cohesion policy. In particular, there are certain conditions that are necessary for the successful cross-fertilisation of sectoral policies and without which innovation in practical tools and procedures may be futile. In particular, the model of spatial planning in many countries is narrow in scope and tends towards inflexible tools such as a binding land use plan. In addition, the management of cohesion policy may lack the political will and professional capacity to do things differently.

Does the level of cohesion policy funding, with its huge variations, make a difference to a country's performance in cross-fertilisation? Of the 15 countries that received more than EUR 1 000 per capita in the programming period 2014–20 (and thus the bulk of cohesion policy funding), respondents in only 4 said there was cooperation or coordination (none reported integration). For the 13 countries that received less than EUR 1 000 per capita in the period, respondents in 6 countries agreed that cross-fertilisation was at the level of cooperation or coordination (none reported integration).

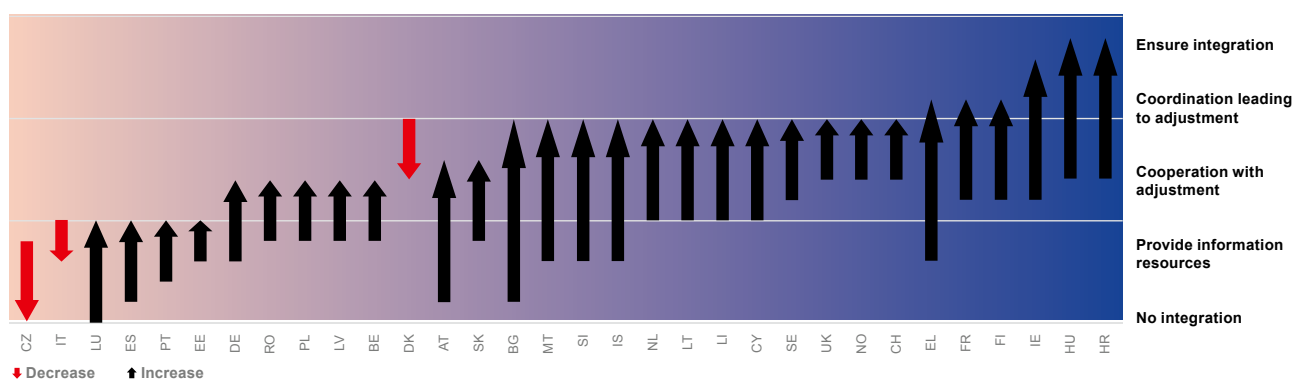
This finding may seem counterintuitive. Respondents offered the explanation that cross-fertilisation in countries that receive a higher rate of cohesion policy funding may be weak because the authority responsible for regional economic policy tends to be a particularly powerful policy sector, and will be able to overrule or 'command' planning

policies that follow its own priorities, although there may have been exchange and sharing of ideas in programme development. Where there is a lower level of funding there is less at stake for those managing cohesion policy and, therefore, perhaps more willingness to cooperate. This also calls for more in-depth future research.

Generally, there is a strong trend towards cross-fertilisation as spatial planning systems give more attention to sectoral policy integration. Figure 6 summarises the trends in sectoral policy integration in spatial planning from 2000 to 2016 in the 32 ESPON countries, using the same scale. Experts for all but three of the 32 countries report that spatial planning is being used more to assist with integrating the territorial impacts of sectoral policies. In some countries cross-fertilisation remains only at the level of sharing information, but it is at least on the agenda. Most countries seek to use spatial planning to achieve more effective cooperation and coordination (some findings may seem anomalous, but the actual findings have been recorded and do not undermine the general point).

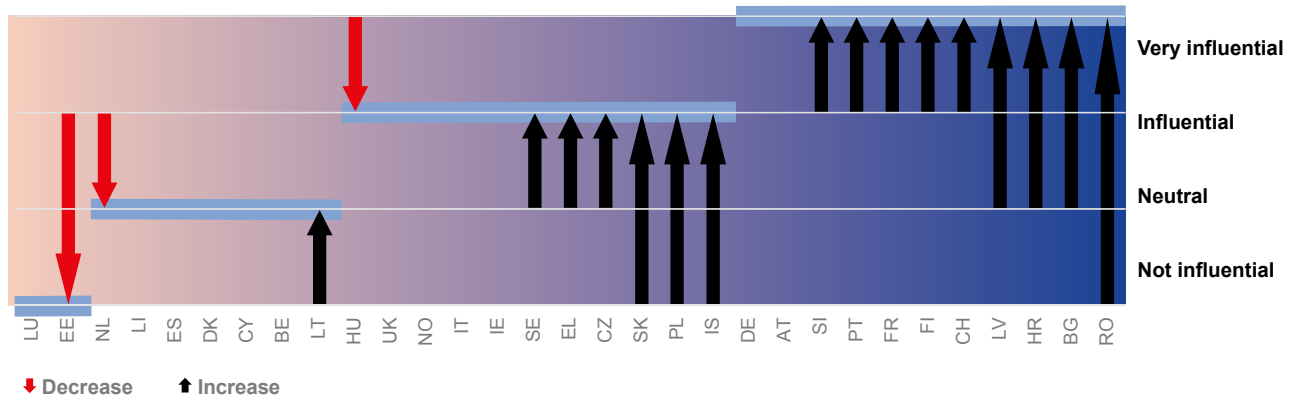
The growing influence of cohesion policy on debates in spatial planning is summarised in Figure 7. Responses on the influence of cohesion policy are given in four categories from 'not influential' to 'very influential'. Spatial planning experts reported that cohesion policy was 'very influential' in 11 countries, and 'influential' in 11 others. Fifteen countries had experienced a strengthening of the influence of cohesion policy and only three a weakening.

Figure 6
Trends in sectoral policy integration in spatial planning between 2000 and 2016



Source: Responses from country experts in ESPON COMPASS (see ESPON, 2018a).

Figure 7
Changing influence of cohesion and regional policy on spatial planning debates between 2000 and 2016

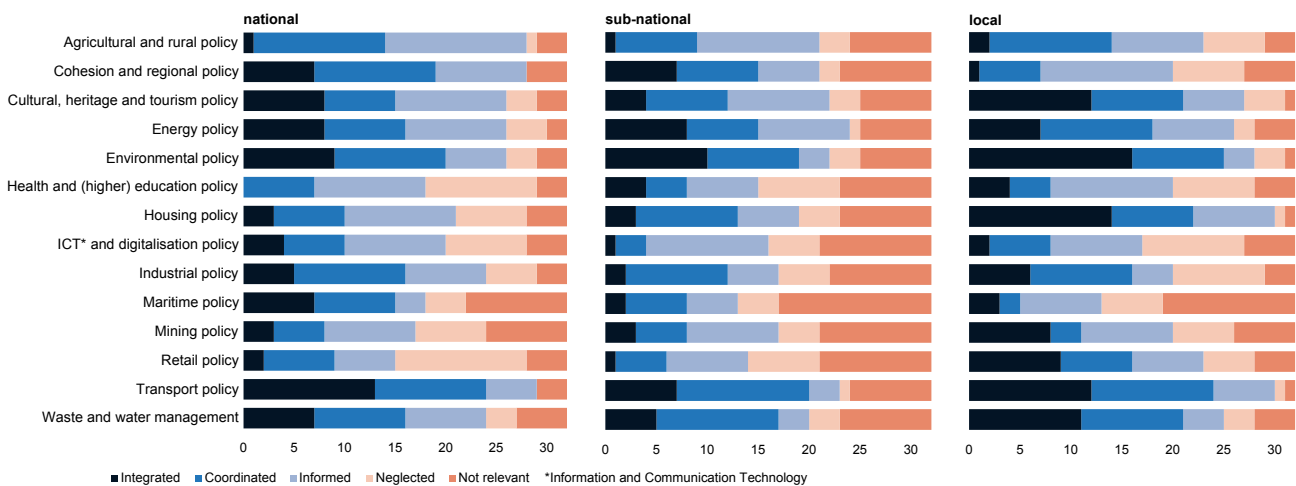


Note: The figure indicates observed trends in the change of influence only.
 Source: Responses from country experts in ESPON COMPASS (see ESPON, 2018a).

However, it is usually still the case that the cross-fertilisation of spatial planning with cohesion policy is weaker than that with other sectoral policies. Evidence from the 2018 ESPON COMPASS project found only a weak role for spatial planning in cohesion policy at the local level, where spatial planning policymaking tends to be concentrated

(see Figure 8). This is in contrast to a strong role for spatial planning in environmental, transport and housing policy. Cross-fertilisation of spatial planning with cohesion policy is stronger at the national level, but is still weaker than other sectors.

Figure 8
The role of spatial planning in sectoral policies at the national, subnational and local levels, 2016



Source: Responses from country experts in ESPON COMPASS (see ESPON, 2018a).

In summary, the state of cross-fertilisation of cohesion policy and spatial planning varies by country. It is generally weak, but there are indications that governments are taking serious steps to use spatial planning more to improve the efficiency and outcomes from cohesion policy funding and to coordinate the territorial impacts of sectoral policies. These trends are part of wider reforms in spatial planning

systems that are seeing deeper engagement with citizens and stakeholders and the use of more adaptable planning tools, strategies and cross-border working that give spatial planning a more proactive approach. To canvass for enhanced cross-fertilisation is pushing at an open door, with a tendency to move in this direction already visible in many countries.

4 Steps and actions that can strengthen cross-fertilisation

Lessons from the COMPASS project, the dialogue with experts and the Czech case study serve as a basis to propose seven practical steps that can be taken to enhance cross-fertilisation, and a menu of potential actions within each step.

4.1 Seven steps towards enhanced cross-fertilisation

The seven **practical steps** shown in Figure 9 are relevant to all countries, but especially where cohesion policy makes up a large share of investment. They are not mandated but rest on the willingness of the main parties to cooperate for mutual benefit. They can be implemented with only minimal cost and much of this could be covered by cohesion policy. Experiences around Europe suggest that the resources needed are most certainly outweighed by the potential benefits.

The managing authorities for cohesion policy and ministries responsible for spatial planning should take the first steps, working in cooperation with other levels of government and stakeholders. Managing authorities are generally the ministries or their appointed agencies at national or subnational level responsible for regional development, sometimes supported by intermediate bodies. The ministries responsible for spatial planning may be at national and subnational levels, often with other sectoral policy competences.

The responsible parties should prioritise the following steps.

1. **Resolve unfavourable conditions** that will hinder measures to strengthen cross-fertilisation, ensuring inclusive good governance practices and challenging the dominant 'policy silo' mindset through institutional and individual capacity building.
2. **Know the territorial impacts of cohesion policy** by making use of territorial impact assessment (TIA) and consultation with stakeholders to evaluate and monitor the combined impacts of policies.
3. **Test the complementarity** of investments made by cohesion policy and other sectoral policies with spatial planning strategies, identifying and mapping inconsistencies and proposing actions to foster more consistency.
4. **Lift communication barriers** that stifle joint working, by promoting the use of the same key terms, territorial units, indicators and data sets in policymaking, and set out priorities and responsibilities for action on harmonisation.

5. **Champion joint working** in territories where it is a priority to strengthen the efficiency of investment, at first through voluntary cooperation, and, if needed, through statutory ad hoc agencies that can take on a leading role in joining up policies and actions.
6. **Promote place-sensitivity in cohesion policy** by ensuring that the territorial dimension is given more priority by the managing authorities, including the spatial effects of investment and its relationship to existing spatial planning objectives.
7. **Customise spatial planning tools for cross-fertilisation** to create more responsive spatial strategies and plans that get to grips with investment opportunities, and align the rhythm of strategy and plan reviews with cohesion policy to achieve temporal integration.

4.2 Actions needed to take steps towards cross-fertilisation

In addition to the seven steps, action may be taken to strengthen cross-fertilisation in the medium term (see also Figure 9). This section presents a list of ingredients only, describing the types of actions in broad terms. Although much of this will be familiar, all involved should reflect on their performance in relation to each set of actions and consider where they need to respond. Countries and regions will need to make their own recipes of actions according to local circumstances, including the significance of cohesion policy funding, and existing cross-fertilisation practices. There should be something of interest and value to all places irrespective of the importance of cohesion policy in investment. All places face similar problems of avoiding the costs of sectoral policy silos while maintaining the strengths of independent working.

The measures are based on actual practices that are under way across the countries and regions of Europe that were identified in the ESPON COMPASS research, practices that deserve wider use because of their potential to strengthen cross-fertilisation. The actions generally complement and reinforce existing requirements for the adoption of cohesion policy programmes, and wider practices in sectoral policymaking. Some actions can be taken quickly to give immediate gains, whereas others will take longer because they will require the agreement of a number of actors or changes in law or culture. Either way, action is needed now to begin the change process.

Actions on spatial planning and professional cultures are especially difficult to realise in the short term, but they offer the most potential to make a difference. They require a change in mindset as well as modified tools. It is futile to

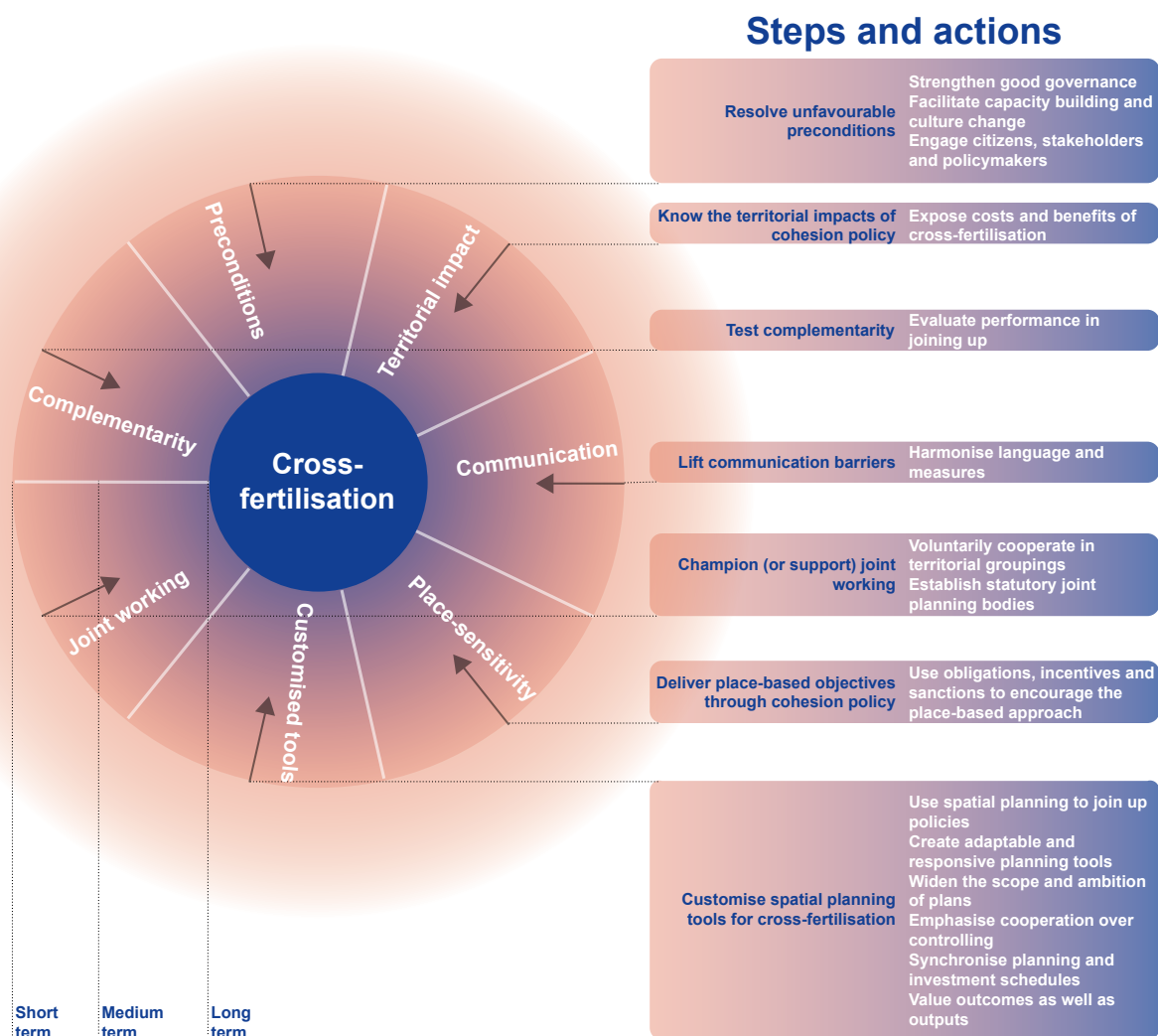
invent new tools or processes unless there is widespread understanding and acceptance of the need to modify ways of working.

STEPS	ACTIONS
<p>Resolve unfavourable preconditions</p> <p>If the conditions surrounding decision-making in cohesion policy and spatial planning are not conducive to good practice, then longer-term gains in territorial cohesion will be impossible.</p>	<p>Good governance – safeguard the rule of law, ensuring transparency and accountability in decision-making to guard against arbitrary and unfair decisions in either cohesion policy or spatial planning (European Commission, Directorate-General for Regional and Urban Policy, 2018).</p> <p>Political will – strengthen commitment to territorial cohesion, and put the spatial consequences of investment on the political agenda.</p> <p>Engagement and awareness – actively engage with stakeholders and citizens, using their experience to gauge the efficiency and effectiveness of investment and policy.</p> <p>Professional culture – tackle the inertia of traditional ways of working and the silo mentality that stifles innovation, by capacity building that strengthens relations and trust across sectors.</p>
<p>Know the territorial impacts of cohesion policy</p> <p>Improvements will only be possible if there is a good understanding of current performance, including where cross-fertilisation is going well and where it is not. A performance audit will raise political awareness and should lead to the monitoring of cross-fertilisation practices.</p>	<p>Policy review – identify perverse incentives that may encourage actions with a negative impact on efficiency and territorial cohesion.</p> <p>Territorial Impact Assessment (TIA) – use ESPON’s TIA method and other tools to evaluate the likely spatial effects of strategies, programmes and plans.</p> <p>Independent scrutiny – engage and welcome outside expert scrutiny, public consultation or peer review of the territorial dimension of cohesion policy, to test the fitness for purpose of spatial planning tools.</p>
<p>Test complementarity</p> <p>The advantage of dividing government into sectoral policy fields is that it allows for concentrated attention on specific objectives and the policies and actions required to meet them. Sectoral policies will not align, and tightly integrated policy is not possible, but it is vital that one sectoral policy does not undermine the objectives of another, and that sectoral policies act in synergy.</p>	<p>Common goals and priorities – establish overarching common goals and priorities against which all sectoral policies should be guided and measured, referring to EU and national priorities for sustainable development, resilience and territorial cohesion, among other things.</p> <p>Policy synthesis – compare and review cohesion policy strategies and programmes against spatial planning strategies and plans (and other significant sectoral policies) to identify points of policy synthesis that may be reinforced, and points of contradiction that need to be resolved.</p> <p>Focus – use the outcomes of a TIA to map the distribution of investment and provide evidence of its likely consequences for spatial development, identifying places that need special attention to improve cross-fertilisation.</p> <p>Anticipation – consult with stakeholders early in the plans’ and programmes’ processes to find out where the likely clashes will be. Ensure that there are joint collaborative platforms and processes to raise and resolve complementarity issues.</p>

STEPS	ACTIONS
<p>Lift communication barriers</p> <p>The separation of the policy silos of cohesion policy and spatial planning has led to unnecessary and confusing differences in spatial concepts, terms, territorial units and data sets, which artificially separate policymakers. Practical measures to tackle this can be implemented quickly, but they require an open attitude and trust across policy sectors.</p>	<p>Language and concepts – harmonise ‘language’ across sectors to create a common nomenclature and ensure consistent use of key terms in all policy.</p> <p>Data – combine and share joint open-access data sets between cohesion policy and spatial planning.</p> <p>Indicators – compare performance indicators and agree on key indicators for shared use.</p> <p>Territorial units – adapt planning and investment strategies so that they cover the same territories, combining or reorganising formal units tied to administrative jurisdictions, and recognising investment areas such as ITI in spatial plans.</p> <p>Process schedules – adjust the rhythm of reviews in spatial planning to coincide with cohesion policy periods to create a ‘temporal integration’ so that policy can be formulated in tandem.</p>
<p>Champion joint working</p> <p>Non-statutory voluntary cooperation in territorial groupings is the bedrock of cross-fertilisation, and is a routine part of cohesion policy management and spatial planning in many places. It aims, through sharing, to shape the strategies and policies of the organisations participating to their mutual advantage.</p> <p>Joint bodies with legal standing and decision-making competences are a well-established practice that combine competences and can take the lead on policy and implementation of major funding programmes, while respecting existing planning strategies. There are many variations tailored to particular circumstances, but all have the same aim: to coordinate strategy, policy and implementation.</p>	<p>Cooperate voluntarily</p> <p>Sharing – establish processes for regular informal exchange of information or intelligence, and periodic ‘around the table’ sharing for functional areas.</p> <p>Visioning – agree common objectives or strategies through ad hoc joint visioning exercises, involving sectors and other stakeholders, possibly led by a third party or civil society.</p> <p>Intermunicipal – create more formal and permanent platforms of national/subnational authorities and agencies and stakeholders with a mission to lead the strategic spatial planning task, especially in functional regions.</p> <p>Engagement – collaborate across sectors and levels on citizen consultation and awareness-raising, or undertake parallel processes sharing feedback.</p> <p>Establish joint statutory bodies</p> <p>Joint planning authorities – combine competences and responsibilities in one authority or agency for a specific planning purpose where developments and investments are interconnected across administrative boundaries, involving all the planning authorities.</p> <p>Statutory development agencies – where there are concentrations of investment in areas of great transformation, create ad hoc bodies with combined powers over regional policy, spatial planning and land policy involving all levels and sectors, with close supervision and engagement of all stakeholders.</p> <p>Ad hoc development agencies – create for short periods a body to devise and combine planning strategy and programmes for investment, while competences remain with local government and managing authorities.</p>

STEPS	ACTIONS
<p>Promote place sensitivity in cohesion policy</p> <p>There are many ways to encourage positive action on cross-fertilisation, and discourage silo mentality. Investment benefits can be tied to effective collaboration, and sanctions imposed where it is not effective. A first step is to identify and rectify perverse or contradictory incentives that encourage separation of policy and poor outcomes.</p>	<p>Incentives – encourage or require the creation of intersectoral and interauthority joint strategies and plans by connecting them to the targeting and release of funding. There can be a competitive element, awarding funding to the most attractive cooperation projects.</p> <p>Obligations – there can be a requirement to demonstrate effective cooperation in the processes of plan and programme preparation before plans are adopted or approved by a higher-level authority.</p> <p>Conformity – require that spatial plans generally conform to agreed shared objectives with cohesion policy (and other sectoral policies) and vice versa, which can be encouraged through the release of joint funding subject to a cross-sectoral strategy.</p>
<p>Customise planning tools</p> <p>The review and reform of approaches to spatial planning is a long-term project, but many countries are on the same trajectory: to create capacity to influence coordination of the territorial impacts of sectoral policies; to be able to adapt policy in the light of changing conditions and cooperation with others; and to engage meaningfully with stakeholders and citizens. However, there is no doubt that in many places spatial planning is poorly equipped to make an impact on major investments and the challenge of policy silos, because a rigid imperative approach to planning is widespread. The power of other policy sectors and the market often trumps urban planning 'control', and, in a context of much uncertainty, confounds orderly coordinated development and territorial cohesion (even when well intentioned).</p> <p>To widen the scope of urban planning to take on a positive role in cross-fertilisation, sectoral policies have to relinquish some power, responsibilities and accountability have to be adjusted, systems require new tools and professions must rethink their culture. Higher education institutes may take the lead. Thus, the shift to spatial planning is a big challenge even for governments with strong and 'good' governance.</p>	<p>Spatial planning has an important role in helping cohesion policy and other sectors to understand their territorial impacts, and, through this, in improving efficiency and outcomes. Thus, planning must engage with cohesion policy to understand investment priorities and constraints.</p> <p>There needs to be clarity about the overall favoured direction and strategy for the transformation of the territory which is best communicated through visualisation. The strategy will include the significant constraints as well as opportunities for fostering territorial cohesion and sustainable development. It also includes identifying possible key investments that will offer substantial benefits that respect the overall planning strategy, and that need multisectoral support to be realised.</p> <p>Spatial planning approach – design and reform the spatial planning system to give it a central purpose of understanding and guiding the territorial impacts of sectoral policies. This means more strategy making and outreach to other sectors and stakeholders, and facilitating cooperation, alongside the core task of regulating physical development and land use change.</p> <p>There will be great variation in how this is tackled in different places, but in essence it means ensuring that existing urban planning regulation tools (which will remain important) are complemented by spatial planning tools that help in cooperation and cross-fertilisation, and widen the scope of planning to address the objectives and policies of other sectors.</p> <p>The general principles involve challenging shifts in approach:</p> <ul style="list-style-type: none"> ▪ from counting outputs to assessing real outcomes; ▪ from control and regulation to leadership and shaping attention; ▪ from rigid blueprints to adaptable strategies; ▪ from a confrontational process to mutual learning; ▪ from bargaining to deliberation; ▪ from measuring success by conformance to measuring success through the influence of the strategy on other plans.

Figure 9
Steps and actions that may enhance cross-fertilisation



5 Endnote

Only a flavour of the complex and multifaceted field of cross-fertilisation of cohesion policy and spatial planning is given here. ESPON provides other guidance and tools that assist in evaluating territorial impacts and relations between policy sectors. Further investigation of good practices and evaluation of approaches is needed, especially to develop generic models of ‘the spatial planning approach’ that can inspire and guide transformation. This includes, in particular, evaluating the performance of the novel tools

and approaches that have been introduced for the 2021–27 cohesion policy programming period. Member States and governments at all levels will continue to share experiences and good practices, making use of cohesion policy funding. This will build into an evidence base on the challenges, benefits and costs of cross-fertilisation, and on how Member States can transition to more territorially sensitive cohesion policy investments, and proactive and adaptable models of spatial planning.

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