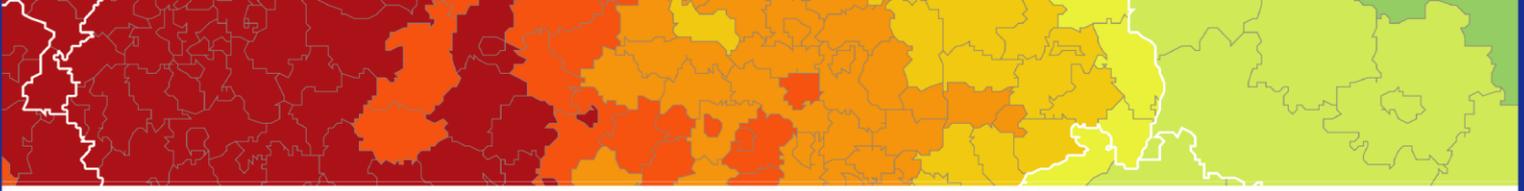


Inspire policy making by territorial evidence



A Territorial Reference Framework for Europe

Applied Research

Synthesis Report

Synthesis Report

This applied research activity is conducted within the framework of the ESPON 2020 Cooperation Programme.

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Abbreviations

CEF	Connecting European Facility
CLLD	Community-Led Local Development
EC	European Commission
EGTC	European Grouping of Territorial Cooperation
EMU	European Monetary Union
ESDP	European Spatial Development Perspective
ESPON	European Territorial Observatory Network
EU	European Union
EU	European Union
GDP	Gross domestic Product
ITI	Integrated Territorial Investment
INTERREG	European Territorial Cooperation
MFF	Multiannual Financial Framework
NTCCP	Network of Territorial Cohesion Contact Points
NUTS	Nomenclature of Territorial Units for Statistics
S3	Smart Specialisation Strategies
SAF	Strategic Advisory Forum
TA 2020	Territorial Agenda 2020
TA 2020+	Territorial Agenda 2020 post-2020
TAEU	Territorial Agenda of European Union
TEN-T	Trans-European Transport Networks
TFTAEU	Task Force for the Renewal of the Territorial Agenda for the EU
TIA	Territorial Impact Assessment

1 Objectives of the study and methodology

The objective of the ESPON European Territorial Reference Framework (ETRF) project is to develop a territorial reference framework for Europe to inform and guide, with relevant territorial evidence and policy insights, the intergovernmental process preparing a new Territorial Agenda for Europe post-2020 (TA2020+). The TA2020+ is foreseen to be adopted during the German Presidency of the European Council in 2020 to replace the '*Territorial Agenda of the European Union 2020 - Towards an Inclusive, Smart and Sustainable Europe of Diverse Regions*' adopted during the Hungarian Presidency of the European Council 2011. The Territorial Agenda 2020 (TA2020) is an action oriented policy framework to support territorial cohesion in Europe through the integration of territorial dimension in European Union (EU) policy processes at all governance levels.

The territorial reference framework developed as part of the ETRF project is intended to provide a normative, long-term territorial development perspective, or vision, to assist in framing the political debate on the territorial dimension of all relevant post-2020 EU strategic policies and longer term cohesion goals, including TA2020+. The territorial reference framework has been arrived at using advanced quantitative and qualitative scenario methods and a wide-ranging pan-European deliberative participatory process with policy actors at all scales over a period of eighteen months between November 2017 and May 2019. A wider range of expert stakeholders, institutions and networks have also been engaged in this process, including the Joint Research Centre of the European Commission, the Committee of Regions, and the European Parliament. As part of this process the ETRF project engaged directly with the Task Force for the Renewal of the Territorial Agenda for the EU (TFTAEU) established by the Network of Territorial Cohesion Contact Points (NTCCP) under the auspices of the rotating 'Trio Presidencies' of Bulgaria, Austria, Bulgaria and Romania.

Over the study period a number of key outputs has been delivered. These include an extensive literature review, trends analysis, design of strategic policy scenarios and their assessment through an econometric model (MASST3), and the formulation of policy pathways for the future. At the core of this effort, the study team has been supported by the Strategic Advisory Forum (SAF), comprising 15 experts in territorial development who met five times over the study period. The aim of this deliberative process was also to develop and recommend workable and realistic mid-term policy proposals for the governance of TA2020+ as a means towards the achievement of the longer-term territorial development perspective which could be adopted as part of TA2020+. As part of this engagement a range of discussion papers were prepared as inputs to the regular NTCCP and meetings of Director General's responsible for Territorial Cohesion.

2 Main results and policy recommendations

The study has established a number of justifications for the renewal of the current Territorial Agenda.

- The current Territorial Agenda was developed in 2011 during a very different social, economic and political context, and needs to be updated according to current challenges and prospects. The evolution of growth and disparities, population dynamics and environmental risks is being felt differently in different geographical areas. In addition, trends linked to globalisation and emerging technologies influence the prospects, challenges and opportunities which different places face, in very different ways. In this context, generic, one-size-fits-all policy responses are inadequate.
- A number of long-term and sectorial roadmaps have been developed at the European and Member State levels, many for the 2050 horizon. By aligning these with the Territorial Agenda for the post 2020 period, there is an opportunity to better position territorial governance and spatial development dimensions within these forward-looking reflections.
- There are significant research resources and expertise on territorial matters (such as provided by ESPON, a key European spatial planning monitoring network, and other European institutions and programmes) which offer an excellent basis for the TA2020+. Improved strategic connectivity of these resources offers a unique opportunity to generate fresh momentum for the future Territorial Agenda, and to champion the territorial dimension of European policy making
- Recent political interest in geographically targeted analysis for policy making has been highlighted through important topics such as “geographies of discontent”, inner peripheries, and places left behind. However, this analysis is too often confined to expert communities and not sufficiently embedded in policy debates – at all levels - about Europe’s future. The TA2020+ can offer a live framework for action in this context.

In keeping with the spirit and momentum behind the expert deliberative process carried out in the ESPON ETRF project, especially through the role of the Strategic Advisory Forum, it is suggested that the process of drafting the TA2020+ should be based on an open participatory/consultation process. This could increase visibility and support for the value of territorially-focused analysis and policy making to address the opportunities and challenges facing Europe.

The study identified three key challenges, with a territorial dimension, facing Europe, which can be summarised as:

- **Fragmentation risks:** social, economic and political fragmentation have profound spatial implications across neighbourhoods, cities, regions and countries, and demand spatially sensitive (and tailor made) policy responses.

- **Growing interdependencies:** the positive and negative spill-overs and externalities of developments in one place imply effects in and on other places, and demand a wider geographical perspective of policy decisions.
- **Functional mismatch at all scales:** the mismatch between the impacts of economic and societal developments and the geographical jurisdictions of decision making creates challenges of efficiency and legitimacy in political institutions and demands territorial governance reforms and/or more territorial cooperation at all scales and sectors.

The study's literature review supports the view that future trends will exacerbate the above-noted challenges. This is likely to increase citizens' perceptions of uncertainty and feelings of vulnerability, within an environment of so-called 'pervasive uncertainty'. A significant component of the study analysed key, selected trends with strong territorial dimensions. Insights from this analysis include:

- The post 2008 reversal of the economic growth and convergence process has seen Europe experiencing less growth than before, while disparities have increased. These disparities exist between regions in the same country, between urban and rural municipalities in the same region and between neighbourhoods in the same city. Disparities are income-based, but also relate to social and cultural diversity, as well as access to knowledge (e.g. digital exclusion). Our analysis points to a continuation of this trend at least during the next decade with growing evidence of a clear geographical dimension to disparities across Europe. Fragmentation can be detected in, for example, sparsely populated rural areas, industrial areas in decline and peripheral regions and countries. Improved analysis and evidence of the territorial dimension of these changes would support better policy making (at all scales and levels)
- How different stakeholder groups respond to trends seems to be closely aligned to the three territorial challenges noted above. For example, the challenge of a 'functional mismatch' (between the impacts of economic and societal developments and the geographical jurisdictions of decision making) is manifested in poor / ineffectual governmental responses to issues such as cross-border flows (e.g. of people or finances). This also constrains the capacity of governments to anticipate risks and opportunities which, in turn, can be linked to citizens' perceptions of governmental loss of 'control'. The rise of nationalist and populist politics often takes root in places where this perceived loss of control is a strong or growing narrative.
- European cities will most likely become more economically interconnected and interdependent, while at the same time they face risks of internal socioeconomic fragmentation. Governance challenges may arise as a consequence. There is a need to better understand the longer-term dynamics of, and influences on, the changing nature of Europe's urban geographies through aligning efforts across the EU to better

understand how these geographies (and spillover effects) are evolving from a territorial perspective.

- Both the challenges and trends analysis noted above have significant implications for EU policy and funding. The European Structural and Investment Funds (ESIF) which represent the largest investment item of the EU Budget are a significant funding source, especially for the EU's less developed regions and countries. However, their overall impact in promoting sustainable growth has been contested not least since the crisis period. This includes uncertainty concerning whether investment has supported their ambitions towards becoming more productive and competitive regional economies. In a context of growing disparities, the specific benefit of ESIF remains unclear. This underscores the need for improved territorial sensitivity in both generating relevant policy responses and in understanding the impact of policy responses.

The study's significant focus on trends analysis through a territorial 'lens' identified that Europe is experiencing more political fragmentation and disintegration as well as more diversity, an increase in disparities and a more general growth in discontent (as manifested in a rise of nationalist and Eurosceptic politics, a fear of the impacts of globalisation and negative perceptions related to migration). The importance of these issues in influencing Europe's future is gaining more attention. However the value of a more spatially-focused narrative has yet to gain any significant positioning in the wider debate about the future of Europe i.e. there is a gap between the EU's recognised territorial challenges and the application of geographically focused solutions in addressing these challenges.

A more placed-based and 'bottom-up' orientation offers a route to generating improved policy analysis and solutions. Too often, the future of Europe (and the EU's post-2020 MFF) debates have a 'top-down' orientation, which overlook the everyday realities of citizens, towns and communities. The territorial deficit in the current debate will most likely impact on the direction of policy decisions, with a strong risk that the territorial dimension becomes further side-lined and overlooked in the contribution it can make to effective policy making. The report recognises that the TA 2020+ has an opportunity to fill this void and to facilitate a more strategic and coordinated approach to mainstreaming territorially-focused messaging at all levels across Europe.

The study identified four future scenarios (muddling through, enabling cooperation, new territorialities and post-territorialities) which provided stimulus for a rich dialogue as part of the deliberative process underpinning the study's method, as well as offering a strong focus for analysis. Scenarios are not considered alternatives, but "horizons" which offer possible evolutions. Through the analysis, the scenarios focused on territorial governance and new political geographies, inspired by recent policy-oriented scenarios developed for Europe.

From the period until 2050, the study proposes that Europe will traverse a pathway which is initially characterised by a muddling through orientation before shifting to an enabled cooperation setting. Econometric modelling was applied to these two scenarios with the aim of subjecting them to further scrutiny and to review possible evolutions / outcomes in relation to Europe's territorial future. The "Muddling through" scenario is characterised by governments at all levels reacting to unpredictable changes and having limited capacity or consensus across countries to strengthen approaches to dealing with challenges or even crises. While this is likely to limit the extent to which strategic cooperation takes place, actions will be taken and commitments made to address some of the challenges linked to (for example) territorial fragmentation.

In the longer-term (to 2050) there is scope for Europe to follow a more positive and cohesive pathway, leading to an environment of enabled cooperation underpinned by a more flexible process of integration. This outcome is based on Europe moving beyond existing approaches to cooperation (for example, as is currently seen in models and systems like Common markets and Custom Unions). Moving from "Muddling through" to enhanced cooperation implies that – over time – Europe sustains and strengthens multiple routes to territorial cooperation. This could see an acceleration of the uptake of key cooperation models – at all European levels and scales. Some of these approaches exist today, such as macro regional strategies and Integrated Territorial Investments. The strengthening of these tools will require to be driven by shared principles (such as self-governance and subsidiarity) and good quality of government and governance.

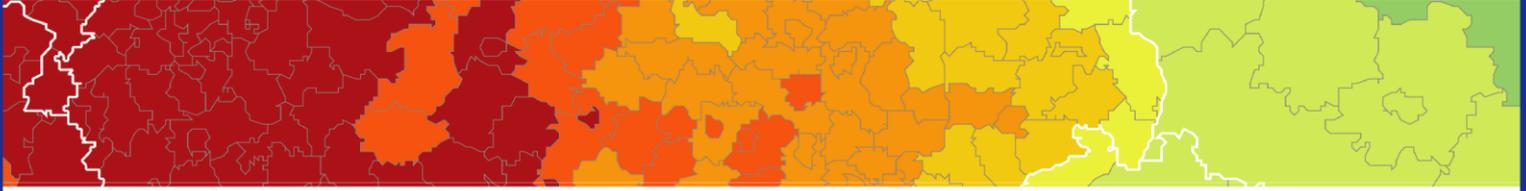
The various sources of evidence gathering and analysis underpinning the study also pointed to the following key directions, which have important implications for Europe's territorial future:

- "New territorialities" will emerge with no / soft borders and with a stronger orientation towards networked organisational and governance structures. Over time, these structures are expected to replace hierarchical and silo-driven models of governance.
- Increasingly, there will be pressure on Europe to reinvent democracy in the "society of networks". Political legitimacy will be challenged by trends and outcomes which will 're-shape' the boundaries of Europe's economic, social and territorial spaces. This, in turn, will challenge more traditional (and geographically-anchored) political principles attached to territoriality such as "national sovereignty", "subsidiarity" and "local self-governance".
- Navigating a pathway towards sustainable and successful cooperation across Europe will require a significant shift (in terms of commitment, investment and implementation) among governments at all scales in Europe. Not only could this improve efficiency in the provision of public services but could also reinforce the legitimacy of democratic institutions and elected policy-makers.

In advancing from theory to action, the report offers concrete proposals for the TA 2020+. It offers a framework for action, built on: (a) a Europe-wide effort to generate bottom-up territorial visions, and (b) a revitalised cooperation agenda – across people, policies and places. This implies a more holistic perspective of cooperation aims, approaches and configurations. This will require a combination of initiatives which are driven by ‘top-down’ and ‘bottom-up’ approaches to cooperation. This TA 2020+ should be supported by an innovative policy framework which can incentivise engagement with activities, projects and initiatives to underpin a Europe-wide cooperation effort. An extensive range of examples are offered in the report’s annexes which describe how cooperation efforts can be mobilised at all European levels, and across different types of actors. Furthermore, these examples can play a role in addressing the key challenges which have been detailed in the report, through the use of new and existing European policy measures.

The TA 2020+ should also focus on effective governance, both of its ‘internal’ support structures and in championing the need for reform of Europe’s governance frameworks to facilitate a stronger territorial dimension to policy making and implementation.

This lies at the core of the ambition to bring the EU closer to its citizens. The TA 2020+ can play a significant role in driving the political leadership to underpin this effort.



ESPON 2020 – More information

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