

Proposal for an ESPON 2030 Programme Thematic Action Plan on “Governance of new geographies”

Input paper for the consultation from 30 November 2021 to 31 January 2022

For details of the consultation process, see www.espon.eu

1. The understanding

As highlighted by the Territorial Agenda 2030, Europe has many different types of places, such as capital regions, metropolitan areas, small and medium-sized towns, peri-urban areas, rural areas, inner peripheries, peripheral areas, northernmost areas, sparsely populated areas, islands, coastal areas, mountainous areas, outermost regions, cross-border regions, macro-regions, characterized by different territorial development trajectories, functional links and harder or softer territorial cooperation arrangements.

Although mostly associated with urban agglomerations, nowadays functional areas are seen as a connector of different types of places. Thus, today’s political agenda is concerned not only with functional urban areas (FUA), but different types of other functional and soft cooperation areas which may be regarded as new geographies - functional rural areas, functional cross-border areas, functional transnational cooperation areas, labour market areas, areas of land-sea interactions, areas of green infrastructure, macro-regions, island areas, neighbourhood areas, etc. In addition, one can also look at functional areas based on flows and networking: different types of services, education at different levels, financial flows etc, it should also be noted that functional areas differ in size depending on what population groups are being considered: men/women, young/working age/old, low/high educated, etc. The [preparatory study](#) for the CEMAT’s 17th session identified more than 20 types of functional areas.

The ‘Governance of new geographies’ thus is a very comprehensive and cross-cutting TAP theme. It aims to create territorial evidence and recommendations in terms of governance of emerging new geographies at European level, national and regional levels which are linked to new functional territories and territories facing state of uncertainty or challenges concerning their development paths.

The objective of this TAP is to develop a knowledge base as regards to understanding such new geographies in terms of their delineations, functional and cooperation arrangements and involved actors and stakeholders. In addition, through the observations for the entire ESPON Programme area, this TAP intends to provide new knowledge and possible pathways on how find appropriate and new governance mechanisms.

Among others, this TAP:

- Includes methodological studies aimed at identifying emerging geographies.
- Assesses existing ones and promotes and proposes new governance mechanisms, including functional approach in planning and governance; facilitates networking and involvement of civil societies, youth initiatives and other stakeholders which would play an important role in terms of elaborating appropriate and innovative governance solutions.
- Strengthens the capacities and skills of policy makers in order to harness the potential of functional territories. Networking and social participation shall be reinforced to explain different experiences.

2. The policy setting

This TAP theme underpins all five Cohesion Policy objectives for 2021-2027. It connects most strongly with **Europe closer to citizens** objective by further strengthening the integrated territorial development approach via investments in the form of territorial tools such as integrated territorial investments (ITI), community-led local development (CLLD) and other nationally designed instruments. Such instruments are supposed to harvest bottom-up and place-based approaches which in turn should maximize the untapped potential of functional territories in a coordinated and systematic way. Thus, functional areas as a way of programme planning is a prominent principle of the new Cohesion Policy 2021 - 2027, especially concerning the integrated territorial development instruments for both urban and non-

urban areas, and the European territorial cooperation goal (Interreg), as evident not only in the agreed and soon to be approved Regulations but also in the European Commission’s Orientation Papers for the respective post 2020 Interreg programmes.

This TAP theme correlates well with the objectives of the Territorial Agenda 2030. It addresses a Just Europe objective, especially concerning the subtopic on “functional regions”, by contributing to a better balanced territorial development via local initiatives. Place-based approaches have been now firmly anchored in the territorial cohesion discourse and as such are being also promoted in the Territorial Agenda 2030. In addition, Urban Agenda for the EU (2016) and most recently the New Leipzig Charter (2020) have emphasized the role of functional urban areas and urban rural linkages in terms of cooperation of urban authorities.

The Council of Europe Conference of Ministers responsible for Spatial/Regional Planning (CEMAT) dedicated its 17th session (2017) on highlighting [the role and potential functional areas](#) hold in unlocking territorial development. This TAP theme is also linked to European Green Deal’s Just Transition Mechanism, by addressing marginalization of those territories that are most affected by the transition given their dependence on fossil fuels.

3. The challenges, trends and drivers behind

In statistical terms, the understanding of different functional geographies has grown exponentially by the introduction of improved and enlarged lists of territorial typologies (for instance, recently [TERCET typologies](#)) and methods used to analyse and distinguish between different typologies, for instance, by applying the [degree of urbanisation DEURBA](#) which is already endorsed at the global level by the United Nations Statistical Commission. This work has culminated in Eurostat’s seminal all-inclusive Methodological manual on territorial typologies (2019) and more recently in OECD’s manual on [how to delineate functional areas in all territories](#) (2020).

The 2021 population and housing census round will give an opportunity to update the most fundamental datasets and expand our understanding of territorial development trends across different places in Europe. More importantly, the enlarged data sets that will be available at EU-wide 1 km² grid will allow for much more flexible and detailed statistical analysis at functional and cross-border level.

In terms of territorial development trends, there is a set of territories which have experienced significant demographic and economic decline. This phenomena also concerns cities and their functional areas - ESPON evidence shows that that shrinking cities are especially pronounced in the EU-13 Member States of eastern Europe which is partly due to labour migration. These territories have recently been seen not only as peripheral or lagging regions but described in more daring terms as “places that don’t matter”. A whole new debate has started in Europe concerning [geographies of discontent](#) and the implications such geographies pose for the functioning of countries and regions in terms of future development trajectories. It is important do define such geographies and find appropriate governance mechanisms in order to unlock their potential.

Territorial coverage and availability of clear delineations on functional areas that could be consistently applied over European countries would be desirable, as it would improve statistical comparisons, benchmarking and provide deeper insights on development trends ([harmonized European labour market areas](#) is a fine example in this regard). However, practice shows that functional areas reflect national and intra-regional contexts and thus should not be a “European product”. In addition, functional areas are dynamic systems and change according to changes in flows, localization of service functions and changes in the transport systems. For example, labour market catchment areas and the functional geography of providing advanced services of general interest or industrial symbiosis processes vary considerably. Therefore, one single place can be part of several different functional areas. Thus, there is a major challenge of define functional areas in terms of their geographic boundaries and making sure that any formal statistical delineations in this regard are in line with political realities.

According to the ESPON evidence, there is much reporting of a rescaling of planning competences in ‘functional planning regions’ to address the reality of environmental, commuting, economic and other flows across borders. New

territorial governance arrangements are being established for such regions. Municipalities are increasingly collaborating voluntarily for the provision of services and in some cases planning, with such arrangements being extensive.

However, the challenge is to define appropriate and inclusive governance models which respect functional approach. Some of the ESPON evidence shows that hard governance tools (for instance, tied to legal procedures and statutory, financial and discursive instruments; identified boundaries engaging existing administrative structures) and soft governance tools (for instance, based on ad hoc collaborative and often thematic agreements and project-based initiatives that are not legally formalised) both may work. Nevertheless, the challenge is to highlight cooperation benefits to all involved actors, given also the democratic legitimacy of these areas. The Urban Agenda Partnership on Sustainable Land-use and Nature-based Solutions has showcased a remarkable enthusiasm in [pointing out](#) cooperation benefits in the case of functional urban areas.

According to ESPON evidence, the largest category, and one for which it is difficult to get accurate data is ‘soft territorial cooperation areas’ which extend beyond functional areas and stretch across domestic and, partly, also national borders, their perimeters are deliberately fuzzy, and they lack designated formal structures for their implementation, but instead rely on bottom up initiatives from stakeholders on the ground (see ESPON’s European Atlas of Soft Territorial Cooperation). Territories that get together to form such “communities of intent” are not necessarily “glued” together by functional linkages - there is an opportunity to harness this kind of territorial cooperation in the future.

According to ESPON evidence, spatial planning at the national and local levels is thought to be well integrated at sectoral level with transport, environment, cultural heritage, tourism, and energy policies. Spatial planning is much less integrated with education, energy, health, retail, and waste policies which is a major challenge for successful territorial development. As there is a trend towards spatial planning and territorial governance initiatives in functional areas across administrative boundaries, this process can be harnessed and reinforced in revitalised territorial cooperation initiatives so as to secure more coordination with sectoral investments.

Despite some of the criticism that polycentric territorial development has not provided benefits in some countries struggling with unbalanced territorial development, cities will continue to play a key role. In the meantime “what to do” with places in decline and discontent will become a more and more pressing issue. To tap in the untapped territorial potential is the way forward vis-à-vis marginalization, polarization and the end of history of such places. In addition, there is a need for new governance also in lagging places that have potentials already unlocked and acting, but benefits are reaped elsewhere; also in some cases peripheral territories are of cultural or historical significance and thus there is a need for better ways on how to incorporate this in to planning. Overall, there is a need for a revival of “territorial governance” approaches as a way out.

Governance structures, legal instruments and institutional frameworks play a key role in territorial cooperation efforts. One prerequisite of “good governance” is good partnership, at best involving the state, the private sector, foundations and civil society at large. Urban Agenda Partnerships is a fine example of such cooperation and this is further acknowledged in the New Leipzig Charter (2020). Partnerships as instruments will be particularly important in more peripheral regions; more sophisticated instruments of territorial cooperation like the “European Groupings of Territorial Cooperation” will also continue to play a prominent role.

The Covid-19 pandemic is transforming the way people work and interact. Introduction or further expansion of remote working schemes will mean that people will not need to commute so often, and “work from home” or “work from anywhere” models may soon become the new reality. This changes the notions of functional geographies, a new types of geographies may emerge which are based on places, for instance, with fast and reliable internet, limited social interaction and safe distancing or having amenities which combine a fine balance of office space and relaxation. This may be additionally looked at from a perspective of how functional geographies changing may affect the functions tied to their geographies (e.g., how will tourism change when many people have a chance to work even from abroad).

Overall, identifying functional areas, understanding their respective development potentials and bottlenecks, tailoring governance mechanisms and planning frameworks to fit the functional geographies are important preconditions for increasing the efficiency of policy interventions and return on investment, at the same time avoiding wasteful (overlapping, fragmented) investment.

Policy needs:

- How to define functional areas in a way that any definitions correspond to actual policy processes? What kind of data and methodologies are needed?
- How functional areas are embedded and integrated in governance practices? What are the benefits of cooperating within functional areas? How such benefits could be showcased to all parties involved?
- Who are the main stakeholders and what types of governance mechanisms should be put in place? What are the tools to achieve effective implementation of different policies in functional areas?
- How to unlock the potential of places in decline, peripheries, places undergoing marginalization? How to make such geographies more connected and as places that matter?
- In your work with functional territories, do you see any knowledge gaps that prevent you from delivering a more effective policy response?
- What could ESPON deliver to address any knowledge gaps?
- What would be your specific evidence and knowledge needs in terms of the territorial application of the Green deal, in the context of just transition for all places concerned?

Research support:

- What is the stock of available scientific evidence (beyond the one accumulated at ESPON) concerning functional areas)?
- What is the state of art in research work on governance of functional territories? Does this research has a territorial focus, demonstrate wide territorial coverage and is based on solid (verified) data and methodologies?
- Are there any distinct evidence gaps on functional territories that the ESPON Programme would be suited to fill? What are the instruments to achieve it and how could this complement the work by other research bodies?
- What are the current discourse questions and debatable aspects that might be further pursued by ESPON?