



# Thematic Action Plan 'Governance of New Geographies'

## Context

Different types of functional and soft cooperation areas may be identified across the European landscape – functional urban areas, functional rural areas, functional cross-border areas, functional trans-national cooperation areas, labour market areas, areas of land-sea interactions, areas of green infrastructure, macro-regions, island areas, neighbourhood areas and others. They all can be characterized by different territorial development trajectories, functional links and harder or softer territorial cooperation arrangements. This is also emphasized by the Territorial Agenda 2030.

The understanding of different functional geographies has grown exponentially by introduction of improved and enlarged lists of territorial typologies. Territorial typologies are the main building blocks which help to further define specific pattern or direction of interactions among people and places around them. If some time ago territorial typologies were products of research discourse, then since 2018 amended NUTS Regulation provides a clear legal framework at the European level on what can be considered an “urban area”, a “rural area” or a “coastal area” (TERCET typologies). Methods used to analyse and distinguish between territorial typologies have also progressed, for instance, the “degree of urbanisation DEGURBA” method has recently been endorsed at the global level by the United Nations Statistical Commission (2020).

The preparatory study for the Conference of the Council of Europe of Ministers Responsible for Spatial Planning (CEMAT) 17th session identified more than 20 types of functional areas (2017). There are clear benefits in defining and understanding functional areas in terms of policy planning and territorial governance. Recently, the OECD released a manual on how to delineate functional areas in all territories (2020), showcasing benefits for better policy design, delivery and evaluation. The global Covid-19 pandemic has spurred research in detecting Mobility Functional Areas (JRC, 2020), areas of intense human mobility – with an idea of helping the policy makers avoiding unnecessary large-area or national lockdowns in the future.

Thus, a lot has been done in research terms on delineating functional areas, topologizing and analysing them. Still, the open stakeholder consultation on the TAP theme revealed that there is a strong demand for continuing this work with an emphasis on ‘emerging’ functional geographies including, for instance, lake-regions, areas with a specific economic character e.g. wine regions or tourist areas etc. One key aspect which was mentioned is the importance of historical legacy in understanding functional areas.

In terms of territorial development trends, there is a set of territories which have experienced significant demographic and economic decline. This phenomenon also concerns cities and their functional areas – according to the JRC (2022) between 2001 and 2011, more than a quarter of the 610 FUAs in the EU shrank, mostly in Eastern Europe, the Balkans and the south of Italy. 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 to define such geographies and to find appropriate governance mechanisms to unlock their potential.

## Challenges specific to the TAP theme

Following the consultation, the screening of EU documents and internal reasoning, the following types of challenges have been found relevant to this TAP theme.

There is a major challenge of defining functional areas in terms of their geographic boundaries and development trends. Practice shows that functional areas reflect national and intra-regional contexts. Moreover, functional areas are dynamic systems and change according to changes in flows, localization of service functions and changes in the transport systems. Therefore, one single place can be part of several different functional areas.

In terms of spatial planning practices 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. Two trends can be observed.

Firstly, 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 in supporting the functional areas approach. The challenge is to highlight cooperation benefits to all involved actors, given also the democratic legitimacy of these areas.

Secondly, according to the 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 and much less integrated with education, energy, health, retail, and waste policies. This points to the challenge of not fully used potential of the functional areas approach in planning, for instance, in information sharing, cooperation, etc. and, in general, in weak cross-fertilization between sectoral planning and spatial planning.

The open stakeholder consultation showed that metropolitan governance could be a powerful tool to deliver various EU policies and strategies beyond the Cohesion Policy e.g. concerning the Green Deal, the RRF, Territorial Agenda 2030, etc. In this context there are many lessons that can be learned from existing research (like the ESPON METRO) but still comparative analyses are lacking that could show how metropolitan cooperation might contribute to a country's wealth and what the counterfactual losses would be of non-cooperation.

The Covid-19 pandemic is transforming the way people work and interact. Most importantly, due to teleworking regular commuting patterns have often changed. There is a challenge to establish governance and public service provision mechanisms which reflect the changing nature of flows between different places.

Overall, the open stakeholder consultation revealed that various analyses on functional territories are being performed in many countries in Europe, but there are many times political and practical challenges among others that prevent acting and establishing real and practical governance mechanisms in functional areas.

## Purpose and policy use of the TAP

The aim of this TAP is to develop a knowledge base as regards to understanding new emerging 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 shall provide new knowledge and possible pathways on how to find appropriate and new governance mechanisms.

Functional areas as a way of programme planning is a prominent principle of the new Cohesion Policy 2021 – 2027. The Cohesion policy is supposed to harvest bottom-up and place-based approaches which in turn should maximize the untapped potential of functional territories. This TAP underpins all five Cohesion Policy objective, it connects most strongly with Europe closer to citizens objective by aiming to provide support in implementing 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.

This TAP theme correlates well with the objectives of the Territorial Agenda 2030. It addresses the Just Europe objective, especially concerning the subtopic on “functional regions”, by contributing to a better balanced territorial development via supporting local initiatives.

In terms of the expected results, this TAP shall respond to the challenges mentioned above and ensure new territorial evidence production and provision of knowledge development activities, based on this new evidence, more specifically:

- Include methodological studies aimed at identifying emerging geographies. Analyse their functional links and socio-economic characteristics and examine their integrated development potential.
- Assess existing ones and promotes and proposes new governance mechanisms, including functional approach in planning and governance; facilitate 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.
- Strengthen the capacities and skills of policy makers to harness the potential of functional territories. Networking and social participation shall be reinforced to explain different experiences.

## Strategic orientation of the TAP

The comprehensive stakeholder consultation process combined with a state-of-affairs analysis by the ESPON EGTC allowed for determining the specific thematic orientation of this TAP. Due attention has been given to:

- the evidence gaps that ESPON would be suited to fill, while avoiding duplication and enhancing synergies with peer providers of territorial evidence and policy advice;
- the identified general policy needs vis-à-vis the stock of territorial evidence accumulated within ESPON – to justify choosing the types of evidence production activities in this TAP to start with;
- the baseline mapping of stakeholders relevant to this TAP (while the more detailed identification of stakeholders will be carried out at a later stage).

The stakeholder consultation revealed that there is a need to balance scientific ambition of providing solid evidence, data and methodologies on the workings of different types of functional areas against the real need for practical research support from the perspective of policymakers. There is a danger that analysis within this TAP can too easily turn into an abstract academic investigation with no clear and pressing real-life policy usefulness. For this reason the following strategic considerations shall be taken into account. In addition, this TAP has a potential to address a wide group of stakeholders involved in governance processes concerning spatial planning and territorial development, mostly, national, regional and local planning authorities and authorities responsible for the implementation of the Cohesion Policy.

(1) Need to widen the notion of functional areas with a focus on a set of topics which are not typically aligned with administrative geographies e.g. green Infrastructure, health, crime, trans-border effects of pollution spread, river basins, transport networks, agglomeration economies and their shifts, energy production and distribution, data infrastructure etc. Better understanding of these geographies (i.e. data analysis, trends, their emergent characteristics, challenges and opportunities) is needed so as to come up with new inputs for establishing appropriate functional governance mechanisms. This would also allow for gaining new data sets on different geographies, for instance considering environmental and biodiversity data.

In essence, this would ensure repeating the work that has been already been carried out on analysing “standard” functional territories. There has been some considerable work from ESPON on this, for instance, ESPON GEOSPECS project. For that purpose, the TAP will be initiated with a European research project (see Section 2) to develop the knowledge base as regards the understanding of emerging non standard functional territories. This will complement the work ESPON has already done on non-standard geographies, albeit at a limited geographical scale (ESPON LAKES, ESPON CE Flows , etc.).

(II) A lot of ESPON's previous research has been done on analysing different governance aspects in different types of territories, looking also at functional areas (ESPON TANGO, ESPON COMPASS, ESPON ACTAREA, etc.). However, since practical action is often missing concerning the scaling up of functional approach in governance arrangements, an inventory of the role of functional areas in national/transnational policies could be useful, by comparing and analyzing real examples of how the notion of functional areas helps (or could help) deliver national/European policies, looking at the challenges and solutions. There is also a need to look at specific national and regional policy contexts in which functional areas and their governance structures emerge. In this context the TAP will complement the European wide and other existing initiatives with evidence and research (for instance, World Bank's and European Commission's initiative on "Functional areas in the EU" (<https://functionalareas.eu>)).

(III) In the context of Covid-19 pandemic, there is a need to start thinking differently about boundaries of functional areas and also envisage analysis on "unsettled territories" resulting from rapid changes due to the pandemic and new work habits. In addition, multi-locality is as a growing trend, a habitational model by which people keep two or more places as stable residences where they regularly spend time. This creates a need for addressing the challenge of obtaining accurate population and flow data, and analyzing appropriate governance mechanisms.

(IV) ESPON has greatly contributed to the JRC's Handbook of Sustainable Urban Development Strategies (2020) and to the upcoming JRC's Handbook on territorial and local development strategies covering non-urban territories (2022). Both handbooks offer support to augment knowledge on how to implement integrated and place-based urban strategies under the Cohesion Policy. By working on synergies with the JRC and DG REGIO, this TAP will allow for supporting research on how functional areas and functional approach to governance can be used as a tool by the managing authorities and other relevant authorities to better deliver EU funded programmes under the Cohesion Policy 2021 - 2027 at a territorial level.

Overall, the policy value distinguishing this TAP from similar initiatives is the opportunity to create a platform for acquiring new and innovative territorial data on delineations and development trends of functional territories; developing tailored governance mechanisms with strong stakeholder involvement addressing, for instance, "other types of non-urban territories" and "other approaches" in territorial delivery mechanisms which go beyond ITI etc. (see: Regulation (EU) 2021/1060); raising capacities of spatial planning authorities and involved stakeholders through a strong on-demand bottom up approach.