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From:	Presidency
To:	Permanent Representatives Committee/Council
Subject:	Informal Meetings of EU Ministers responsible for Cohesion Policy and for Territorial Cohesion and Urban Matters - Riga 9-10 June 2015 - Latvian Presidency follow-up note

Delegations will find attached a follow-up note from the Latvian Presidency on the Informal Meetings of EU Ministers responsible for Cohesion Policy and for Territorial Cohesion and Urban Matters which took place on 9-10 June 2015 in Riga.

Informal Meeting of EU Ministers responsible for Cohesion policy and for Territorial Cohesion and Urban Matters

Riga, 9-10 June 2015

On 9th of June 2015 informal Meeting of EU Ministers Responsible for Cohesion policy was held in Riga.

Ministers discussed implementation challenges and possibilities of the Cohesion policy 2014-2020 based on the Presidency issue paper and non-paper assessing the implementation of the reform in the new programming period prepared by the European Commission. Particular focus in the discussions was devoted to enhanced use of financial instruments, issues related to administrative capacity and simplification, at the same time maintaining the importance of the mission of Cohesion policy as set out in the Article 174 of the Treaty on the Functioning of the European Union.

All Ministers agreed that Member States in their programming documents for 2014-2020 period have successfully addressed new elements of the reformed cohesion policy. In line with the focus on better quality of spending of EU budget resources, the reformed Cohesion policy has introduced new rules to provide favourable framework conditions for Cohesion policy interventions and improving the overall investment environment in Member States and regions, such as links to country specific recommendations, ex-ante conditionalities, as well as concentration of resources towards EU2020 objectives and strengthened result orientation in the policy implementation.

It was recognized that the beginning of new implementation period was a crucial time to continue work by Member States and the European Commission building on mutual trust to find efficient practical solutions and to lay stable grounds for implementation of Cohesion policy in forthcoming years. Successful implementation of the reformed policy will be important for economic revival of European regions as public funding remains scarce.

It was collectively recognized that financial instruments are becoming an increasingly important delivery mechanism of Cohesion policy objectives- on their own and in combination with traditional grants and provided that the different market conditions of Member States and regions are duly respected. Ministers emphasized that in order to enable Member States to set up successful financial instruments, in particular tailor made financial instruments, the European Commission should provide timely, coherent, consistent and clear guidance on the use of financial instruments and on the synergies between different instruments (including European Investment Fund for Strategic Investments), as well as to enhance exchange of practical know-how.

It was concluded that Cohesion policy is highly complex and introduction of new elements to increase policy effectiveness poses new challenges for administrations. Therefore Member States and regions have to ensure that right structures, capacities and skills are in place to effectively deliver the investments on the ground. Ministers invited the European Commission and Member States to make efforts and where necessary allocate sufficient resources for preventive actions increasing legal certainty in order to minimise the risk of errors, as well as to identify problems in the early stages of implementation.

It was stressed that the simplification and proportionality are important to increase Cohesion policy attractiveness and efficiency. Ministers welcomed the set-up by the European Commission of the high level group monitoring simplification for beneficiaries and at the same time emphasized that simplification must be seen in broader context where administrative burden for administrations managing ESI Funds must be reduced and overall control levels alleviated.

The Presidency concluded that the discussions proved to be fruitful and invited to continue with regular political debate on the progress and results of the Cohesion policy, as well as on its implementation challenges.

The outcome of the discussions is reflected in the Council conclusions on the implementation challenges of the cohesion policy 2014-2020¹.

¹ 9622/15.

On 10th of June 2015 informal Meeting of EU Ministers Responsible for Territorial Cohesion and Urban Matters was held in Riga.

During the meeting the Declaration of Ministers towards the EU Urban Agenda (*see the Annex*) was agreed in consensus.

The Declaration identifies the key elements and principles that should be taken into account in development of the EU Urban Agenda during the upcoming Presidencies.

It also defines the recommended actions to be taken at different governance levels.

In addition the Declaration emphasizes the role of small and medium-sized urban areas that must be taken into account when developing and implementing the EU Urban Agenda.

The topic of small and medium sized urban areas is the priority of Latvian Presidency and specific contribution to the debate regarding EU Urban Agenda.

It is expected that during the Dutch Presidency next political agreements will be made regarding the EU Urban Agenda.

Annex

Declaration of Ministers towards the EU Urban Agenda

**Agreed at the Informal Meeting of EU Ministers Responsible for
Territorial Cohesion and Urban Matters
on 10 June 2015 Riga, Latvia**

Preamble

On 10 June 2015, in Riga (Latvia), upon the invitation by the Latvian Presidency of the Council of the European Union (EU), the session of the Informal Meeting of Ministers responsible for territorial cohesion and urban matters was held.

The meeting was also attended by the European Commissioner for Regional Policy and representatives from the European Parliament (EP), Committee of the Regions (CoR), European Economic and Social Committee (EESC), European Investment Bank (EIB), as well as representatives from candidate countries for EU membership, Norway and Switzerland, relevant stakeholder organisations and several observers.

Cities and towns play a significant role in territorial development of the EU, also in achieving the EU 2020 objectives, due to the concentration of people, services, dwellings, economic activity and transport nodes. They are first and foremost human settlements that should be developed to improve the living conditions and the environment of its present and future citizens. On the other hand they face different challenges which require purposeful and coordinated action at all governance levels. In the main the responsibility for urban development sits with Member States. However EU policies also have an important role in setting the right framework within which European urban areas can tackle urban challenges and unlock their growth potential. In that regard it is important to develop an Urban Agenda at EU level, leading towards better policies for urban areas, more coordinated and effective measures in support of sustainable development, better participation and contribution of urban areas in achieving common EU goals, exchange of knowledge and increase learning. Meanwhile it is essential to ensure that the future EU Urban Agenda is made in full respect of the subsidiarity principle and competences under the EU Treaties, taking into account the intergovernmental cooperation on the issue, as agreed with the General Affairs Council conclusions on 19 November 2014. Moreover, according to the European Council conclusions adopted on 26/27 June 2014, in line with the principles of subsidiarity and proportionality, the Union must concentrate its action on areas where it makes a real difference. It should refrain from taking action when member states can better achieve the same objectives.

This Declaration provides political support for the development of the EU Urban Agenda in full respect of the principles of subsidiarity and proportionality and takes account of the intergovernmental work of Member States on the *Urban Acquis* so far. Particular attention within this declaration is paid to the Presidency TRIO's (Italy-Latvia-Luxembourg) common priority – small and medium sized urban areas, as an integral part of the EU Urban Agenda, acknowledging their significant role and potential for balanced territorial development and achievement of common European goals.

Ministers acknowledge:

1. The role of urban areas in fostering sustainable economic, social and territorial cohesion of the European Union, developing the EU Urban Agenda and implementing EU and national policies.
2. The relevance of the polycentric urban structure of the EU and its contribution in achieving the goals of the Territorial Agenda 2020, also the importance of all types of urban settlements as centres for services, economic opportunities and culture for their surrounding areas.
3. The important position urban areas will hold in the universally applicable Post 2015 Development Agenda and the Sustainable Development Goals, in order to make them safer, more resilient, inclusive and sustainable.
4. The efforts made by consecutive Presidencies on intergovernmental cooperation on sustainable and integrated urban development and their contribution to the policy debate on sustainable cities, climate change and energy efficiency, integrated urban regeneration, demographic challenges, intra-EU mobility and migration, urban poverty, child poverty and challenges of inner areas.
5. The work carried forward by the Presidency TRIO (Italy-Latvia-Luxembourg) on small and medium sized urban areas, recognising their significant role and potential for balanced territorial development and achievement of common European goals, and supporting the conclusions attached to this Declaration (Annex I).
6. The important role of the Committee of Regions, EUROCITIES, the Council of European Municipalities and Regions, European Economic and Social Committee in voicing the interests of urban areas and regions; also the ongoing relevant work of URBACT, ESPON, EUKN, etc.

Minsters recognise the need:

7. To work towards the EU Urban Agenda, that considers the urban dimension in European and national policies in an integrated way, in order to help realise the full potential and contribution of urban areas of all sizes, including small and medium sized urban areas, towards achieving common European and national objectives in full respect of subsidiarity and proportionality.
8. For an effective coordination of EU policies with an impact on urban development within the European Commission reflecting the horizontal, cross-sectorial and territorial nature of urban issues.
9. To improve the existing legal framework with an urban impact and to use the existing structures instead of creating new ones at the EU level, in order to foster more effective policies in support of sustainable and integrated urban development.
10. For integrated and place-based policies adaptable to different needs of urban areas and their inhabitants, making the most of the territorial potential across Europe.
11. For coherence between urban and other territorial issues, building on the important role of urban areas, including small and medium sized urban areas, for a better territorial development.

Ministers agree:

12. To support the development of the EU Urban Agenda that:
 - 12.1. should be taken forward in close partnership among Member States, the Commission, the EIB, regions, urban authorities and other concerned stakeholders, in conformity with the principles of subsidiarity and proportionality;
 - 12.2. respects urban diversity and specificities, as well as contributes to unlocking the potential of all types of urban areas, including small and medium sized, also the most vulnerable and deprived neighbourhoods;

- 12.3. is aimed at opportunities that urban areas offer in terms of wider territorial development, jobs, growth and innovation, not only at tackling urban challenges;
 - 12.4. demonstrates the shared understanding of sustainable and integrated urban development, and seeks to ensure a good quality of living and working environment for citizens;
 - 12.5. provides an operational framework and effective instruments to horizontally improve the urban dimension in European policymaking, including better policies, territorial impact assessment, more tailor made and place sensitive EU-funds, including EIB finance, opportunities to exchange knowledge and best practices, research, and cooperation;
 - 12.6. does not create administrative burden to national, regional or local governments;
 - 12.7. promotes cooperation among urban areas of all sizes, as well as cooperation within functional urban areas and regions, including inner areas and cross-border polycentric metropolitan regions.
- 13. To strengthen the intergovernmental cooperation on urban and territorial development, in order to provide a clear contribution to the development and implementation of the EU Urban Agenda.
 - 14. To promote the knowledge base and the data on urban development issues, referring to different types of urban units.
 - 15. To support policies, at national or regional level, that have an impact on and that promote sustainable and integrated urban development and territorial cohesion, and contribute to the overall EU strategic objectives, raising awareness and fostering the coordination of sectors.
 - 16. In accordance with the legal and institutional frameworks of the Member States, with appropriate means, to:

- 16.1. support effective multi-level governance and to involve local and regional authorities in policy making, including the design, implementation and monitoring of urban policies and policies with a clear urban impact;
 - 16.2. facilitate adequate capacity in local and regional authorities, including by greater use of, and participation in EU European Territorial Cooperation programmes, to enable them to elaborate and implement integrated development strategies and perspectives where appropriate, and to foster favourable preconditions for cooperation among different territories in order to manage territorial interdependencies and complementarities;
 - 16.3. facilitate integrated and place-based territorial support measures that enable any type of territory to make most of its territorial potentials and address its specific challenges, including small and medium sized urban areas, independent of their geographical location.
- 17. To ensure continuity in the development of the EU Urban Agenda during the upcoming Presidencies and to identify the most important milestones for creating the Urban Agenda, and strive for a political agreement during the Dutch Presidency on an operational EU Urban Agenda.
 - 18. To contribute to the UN-Habitat New Urban Agenda process aiming to ensure that the principles of integrated urban development and the forthcoming Sustainable Development Goals referring to urban development are well reflected in the Habitat III declaration.

Ministers invite the European Commission:

- 19. To make the EU Urban Agenda a priority and take concrete and immediate steps to:
 - 19.1. improve coordination and effectiveness of EU policies and instruments with an urban impact to support sustainable and integrated urban development and contribution of urban areas to EU priorities;

- 19.2. enhance ex-ante impact assessment of new EU initiatives and legislation with regard to their territorial impacts and consequences for local authorities; and
- 19.3. strengthen, consolidate and harmonise the knowledge base and the data on urban development issues at the EU level, referring to different types of urban units.
20. To initiate and facilitate concerted actions in a limited number of cross-sectorial priority issues to be identified and selected in close cooperation among Member States, the Commission and other concerned stakeholders. In doing so:
- 20.1 also take into account the recommendations prepared at the intergovernmental level among others those specific to small and medium sized urban areas, urban poverty (including in the most deprived neighbourhoods), intra EU mobility and adverse effect of migration; and
- 20.2. make use of the relevant knowledge base of the Urban Audit, URBACT, ESPON, EUKN etc.
21. To monitor the contribution of urban areas to the strategic objectives of the European Union, follow-up and report on the progress of activities in the cross - sectorial priority issues and report back to Member States on a regular basis through the Urban Development Group. In undertaking monitoring activities to seek to minimise the administrative burdens on Member States.
22. To ensure that EU level regulations and instruments are flexible and place-sensitive, which allow Member States and regions to implement national and sub-national strategies and perspectives facilitating development of all types of territories, including small and medium sized urban areas.

Ministers invite local and regional authorities:

23. To actively contribute, through existing governance mechanisms, to the development of the EU Urban Agenda by identifying major urban challenges and opportunities that are both rooted in the local reality and broadly shared by cities and towns across Europe.
24. In accordance with the legal and institutional framework of the Members States, where appropriate and where resources allow, to:
 - 24.1. play an active role in policy development and territorial impact assessment where those policies have an impact on urban areas and in which European collaboration has a clear added value;
 - 24.2. provide partnership in sustainable integrated urban development on the ground involving local community and stakeholders, and aiming to deliver effective urban solutions to challenges that go beyond one sector and administrative borders;
 - 24.3. elaborate and implement integrated local strategies using a participatory approach, that is responsible and well-balanced in terms of spatial planning, respecting local assets and using existing tools for promoting sustainable development of urban area and its hinterlands;
 - 24.4. take into account the strategic objectives for a smart, sustainable and inclusive Europe in local development strategies, connecting EU strategies and policies with the local specificity and the citizens;
 - 24.5. strengthen cooperation and networking among urban areas, urban and rural areas, also with partners across Europe, looking for comparative advantages and synergies to exploit together; to share good practices in tackling urban challenges and jointly build capacity; participate to the Urban Development Network; where helpful, to use the European level web based tool the Reference Framework for Sustainable Cities, developed by the EU Member States.
 - 24.6. consider joining the EU level initiatives covering essential urban challenges, such as the “Declaration of mayors against child poverty”.

Annex I

Acknowledgement of the significant role of small and medium urban areas in the overall territorial development²

1. The essential **role of SMUAs has so far been less explored both in policies and studies** which up to now have focused on the role and issues of metropolitan areas and large cities. In Europe 24.2% of the inhabitants live in SMUAs with a population of 5,000 to 50 000. In total there are 8,350 SMUAs in Europe.
2. **SMUAs fulfil important economic and social functions** being centres for jobs, public and private services, nodes of local transport, as well as centres for local and regional knowledge production, innovation and infrastructure for a large share of the European population.
3. SMUAs are, therefore, **essential to avoid rural depopulation and urban drift**, promoting more balanced overall regional development. Yet they also **contribute to development of metropolitan areas** being connected in a polycentric network.
4. There is a **significant existing and potential collective contribution of SMUAs to EU common strategic goals**, especially regarding employment, climate change and energy sustainability and fighting poverty and social exclusion.
5. **Many SMUAs face a range of common challenges that need to be addressed** at different governance levels: declining and ageing population, emigration of young people, low economic activity and diversity, lack of highly educated and skilled labour, job creation, provision of and access to services, insufficient connectivity, lack of access to financial resources and capital investments, insufficient administrative and technical capacity, energy transition and climate change.

² In order to facilitate discussion and provide evidence base for it Latvia has elaborated a research report “Challenges of Small and Medium-Sized Urban Areas, their economic growth potential and impact on territorial development in the European Union and Latvia”. Based on the report a number of observations and conclusions can be made.

6. SMUAs have significant development **potentials that need to be utilised**: great opportunities for balancing economic activity and quality of life aspects, more flexibility to shift development orientation and more agility for policy innovation and experimentation.
 7. It is **especially important for development of SMUAs** to foster diversification of economic activities and smart specialisation; find solutions for provision of qualitative, accessible and cost-efficient public services; to foster urban-urban, urban-rural, including inner areas, and cross-border co-operation within functional areas and to generally improve their attractiveness. Strong capacity of local authorities and active involvement of local community and stakeholders in development of the territory are essential in this regard.
 8. It is important to provide **territorial support measures** that are comprehensive and flexible enough to enable any type of territory – urban, rural and areas with specific geographic features – **to make the most of their territorial potentials**.
 9. Due to interdependency of SMUAs and other territories and their multi-sectoral challenges **support measures need to be provided** in the form of **integrated and place-based mechanisms**.
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Annex II

List of Reference Documents

(The presence of a document on this list should not be taken as endorsement of its contents)

- Communication from the Commission of 6 May 1997 entitled “Towards an urban agenda in the European Union” (COM(1997)0197).
- The “Lille Action Programme” adopted at the Informal Council of Ministers responsible for urban affairs held in Lille on 3 November 2000.
- The “Urban Acquis” adopted at the Informal Council of Ministers responsible for territorial cohesion, held in Rotterdam on 29 November 2004.
- The “Bristol Accord” adopted at the Informal Council of Ministers on sustainable communities held in Bristol on 6-7 December 2005.
- The “Territorial Agenda of the EU - Towards a More Competitive and Sustainable Europe of Diverse Regions” adopted at the Informal Council of Ministers responsible for spatial planning and urban development held in Leipzig on 24-25 May 2007.
- Leipzig Charter on sustainable European cities, adopted at the Informal Council Meeting of Ministers on urban development of 24-25 May 2007 in Leipzig.
- The Communication from the Commission to the Council, the European Parliament, the Committee of the Regions and the European Economic and Social Committee entitled “Green Paper on Territorial Cohesion: Turning territorial diversity into strength” dated 6 October 2008 (COM(2008)0616).
- The “Marseille Declaration” adopted at the Informal Ministerial Meeting of Ministers responsible for urban development on 25 November 2008.
- The European Parliament resolution of 24 March 2009 on the Green Paper on Territorial Cohesion and the state of the debate on the future reform of cohesion policy (2008/2174(INI)); the European Parliament report of 24 March 2009 on the urban dimension of cohesion policy in the new programming period (2008/2130(INI)).
- The Treaty of Lisbon amending the Treaty on European Union and the Treaty establishing the European Community, signed at Lisbon, 13 December 2007 and entered into force on 1 December 2009.

- The Working Document of the Directorate-General for Regional Policy “Fostering the urban dimension – Analysis of the Operational Programmes co-financed by the European Regional Development Fund (2007-2013)” from November 2008; and the Guide from the Commission on “The urban dimension in Community policies for the period 2007 – 2013” updated in December 2009.
- The strategy “EUROPE 2020”, approved by the European Council on 17 June 2010 following the.
- Commission Communication “EUROPE 2020: A strategy for smart, sustainable and inclusive growth” dated 3 March 2010 (COM(2010)2020); and the renewed “EU Sustainable Development Strategy”, adopted by the European Council on 15/16 June 2006.
- Toledo Declaration, adopted at the Informal Council Meeting of Ministers on urban development of 22 June 2010 in Toledo.
- Territorial agenda of the EU 2020, agreed at the Informal Ministerial Meeting of Ministers responsible for Spatial Planning and Territorial Development of 19 May 2011 in Gödöllő.
- European Parliament resolution of 23 June 2011 on the European urban agenda and its future in cohesion policy.
- Commission’s report entitled “Cities of tomorrow: Challenges, visions, ways forward”, October 2011.
- The “Road map” for the implementation of the new Territorial Agenda was adopted during Polish presidency in November 2011.
- Opinion of the European Economic and Social Committee of 21 September 2011 on “Metropolitan Areas and City Regions in Europe 2020”.
- Presidency Conclusions adopted at the Informal Meeting of the Directors General of Territorial Cohesion/Spatial Development and Urban Development on 21 November, 2013 in Vilnius.
- Commission’s report entitled “Cities of tomorrow: Investing in Europe”, Brussels, 17-18 February 2014.
- Presidency Conclusions adopted at the Informal Meeting of Ministers responsible for cohesion policy of 24-25 April 2014 in Athens.
- Opinion of the Committee of the Regions of 25 June 2014 on “Towards an Integrated Urban Agenda for the EU”.

- Communication from the Commission of 18 July 2014 on the urban dimension of EU policies – key features of an EU urban agenda (COM(2014)0490).
 - General Affairs Council conclusions of Nov 2014.
 - Communication from the Commission of 16 December 2014 entitled “Commission Work Programme 2015” (COM(2014)0910).
 - EUROCITIES strategic framework 2014-2020: towards an EU urban agenda for cities, December 2014.
 - Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee of the Regions. Commission Work Programme 2015. A New Start (COM (2014)910),
 - CEMR first contribution to an Urban Agenda, February 2014.
 - Opinion of the European Economic and Social Committee “The urban dimension of EU policies – Key features of an EU urban agenda”, 23 April 2015.
 - Vienna Declaration by the Mayors of the EU Capital Cities “A strong voice in Europe”, 21 April 2015.
 - Opinion of the European Committee of the Regions “The improvement of the implementation of the Territorial Agenda of the European Union 2020”, 17 April 2015.
-