

REPORT ON COMMUNITY POLICIES AND SPATIAL PLANNING

(Working document of the Commission services)

FOREWORD

This report represents a first attempt by the services of the Commission to increase the awareness of the territorial dimension in the formulation of new policy guidelines as well as in the implementation of current Community policies. It is the result of the joint work of representatives from nineteen Directorates-General of the European Commission, EUROSTAT and the European Environmental Agency over a period of 8 months.

The report has three objectives:

- to provide a first answer to requests of the European Institutions¹ and the Committee on Spatial Development to the Commission to establish a framework for co-ordinating Community policies;
- to contribute to the elaboration of the first final version of the ESDP which is envisaged in spring 1999 under German presidency; and
- to provide an input to the final ESDP Forum scheduled for February 2-3, 1999.

This report does not constitute the end, but rather the beginning of a process aimed – within the European Commission departments, and in co-operation with the other Community institutions and Member states – at examining territorial issues in a prospective manner and at strengthening co-ordination and co-operation.

It is composed of two parts. The first part sets the framework of the debate on spatial planning at the European level, provides a synthesis of the analysis presented in the second part, and draws some preliminary conclusions and options for further work. In this sense, it can be considered a sort of “extended” executive summary.

The second, longer part discusses the relation between spatial planning and each of the Community policies assumed to have an influence on the organisation of the European territory.

¹ See, in particular, the Parliament’s opinion of May 28th, 1998: “...the Commission [...] has immediate responsibility for and the opportunity of improving the complementarity and consistency of Community policies, in particular by establishing the internal mechanisms for co-ordination between its various departments...”.

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1. THE DEBATE ON SPATIAL PLANNING AT THE EUROPEAN LEVEL

1.1. Background

Over the past ten years, the need to develop a strategy to guide the development of the European territory has emerged as an important issue in the policy debate. A number of factors have contributed to this.

- Firstly, there is growing recognition among decision-makers at all levels of increasing functional interdependency, in the wake of technological changes in communication and transport, the blurring of borders within the Single Market and increased opportunities for networking, tying together spaces and economies throughout the continent. This interdependency makes convergence of objectives and co-ordination of policies a necessity.
- Secondly, the challenges of globalisation of the economy make it vital for every part of the EU to strengthen co-operation with partners sharing the same interest and facing similar challenges – be they immediate or more distant neighbours.
- Thirdly, the forthcoming enlargement calls for an overall strategic approach for the development of this wide and diverse territory and the integration of the future new Member states in the different trans-European networks – whether relating to the European urban system, to transport, energy and communication networks or to natural areas of Community importance.
- Finally, budgetary constraints call for an effective use of increasingly scarce public resources by tailoring interventions to territorial specificity.

All these factors demand new unifying conceptual frameworks that make it easier to secure convergence and co-ordination between various sectoral policies. This is where strategic territorial development can play an important role.

Territories, though varying greatly throughout Europe, play everywhere the same roles as (1) the physical base for productive activities, (2) the life support system for people and natural resources, and (3) the place where the impacts of most policies can be seen or felt. The territory, therefore, provides a unique medium for developing a crosscutting, multi-sectoral perspective, for reconciling sometime conflicting objectives, setting mutually compatible targets and ensuring that interventions affecting its organisation, structure and use are coherent.

Administrative barriers, sectoral compartmentalisation and territorial fragmentation hamper optimal territorial functionality, optimal allocation of resources and efficient public services.

To overcome such difficulties, it is necessary to develop instruments enabling a reliable analysis of the European territory and its different elements, the definition of clear medium-term aims and targets and adequate co-ordination, delivery, monitoring and assessment mechanisms. Moreover, it requires time as suspicion, vested interests and inappropriate patterns of decision-making must be overcome.

1.2. The origin of the ESDP

The debate on strategic territorial planning, within the Community framework, began in Nantes in 1989. Since then, regular meetings of the ministers responsible

for spatial planning in the Member states have clearly demonstrated the need to develop a long-term strategy allowing better co-ordination of the various public activities which influence the organisation and the use of the European territory². It is in this context that the ministers responsible for spatial planning took the decision in November 1993, to develop a European Spatial Development Perspective (ESDP).

Since then, the efforts of the Member states – with the support of the Commission – have led to a first draft of the ESDP presented to the ministers for spatial planning in June 1997 in Noordwijk, under Dutch presidency. After having approved the document as a basis for discussion, ministers decided to organise a debate involving other sectors, the various administrative levels as well as the society at large, including the main economic actors, so as to allow the refinement and the enrichment of the ESDP. The final version of the ESDP is envisaged under German presidency, during the first half of 1999.

It is in this context that the European Commission took the initiative to organise, in co-operation with the Member states, the European Parliament, the Economic and Social Committee and the Committee of the Regions, a series of transnational seminars centred on the main themes indicated by the ESDP. In parallel, co-operation between the various Directorates-General of the Commission responsible for policies and activities which affect the structure, use and quality of the European territory, was intensified so as to increase the awareness of the territorial dimension in the formulation of new policy guidelines as well as in the implementation of current Community policies.

It is within this framework that this report has been prepared.

1.3. The objectives and the policy options of the ESDP

The ESDP has three broad aims:

- economic and social cohesion of the European Union;
- sustainable development; and
- balanced competitiveness for the European territory.

Consequently, the ESDP is in conformity with the key principles enshrined in the Treaty of the Union (Art.2)³, but it goes beyond in that it does not solely address the areas eligible under economic and social cohesion policy, but the entire European territory. Furthermore, the three objectives mentioned above are not to be pursued separately but together, taking into account their interactions, in order to avoid that decisions taken from divergent logic have effects which could prove contradictory.

The ESDP identifies a series of policy options organised around few structuring concepts – balanced urban systems and new urban-rural relations, access to infrastructures and knowledge, and better protection of natural and cultural heritage

² The European Commission contributed to the initial debate with the two reports: “Europe 2000” in 1991 and “Europe 2000+” in 1994.

³ Throughout the report, the Articles of the Treaty are referred to according to the new numbering as modified after the Amsterdam Council.

–, which are, by their nature, horizontal to specific territorial categories such rural areas, coastal areas or urban areas.

1.4. Status of the ESDP

The development of the ESDP is not based upon a codified process. Indeed, the ministers responsible for spatial planning decided that the ESDP would not have any normative value. The text of the ESDP itself specifies: *“it is also clear that the approach can only be indicative, not prescriptive. Nevertheless, it is expected to lead to tangible results for the European territory and to stimulate action”*.

It is undeniable that the policy options contained in the ESDP stem from a strong political will of Member states – with the support of the Commission. This has a particular significance for the process accompanying the ESDP: it is a long-term process, which goes far beyond the period which is necessary to work out the ESDP itself.

Accordingly, the publication of the ESDP in the coming months has to be regarded as a stage in a long-term process, whether for detailing the policy options of the ESDP according to the various features of given territories, for defining and implementing transnational co-operation, or for extending the ESDP inside Member states.

It is within the context of this process that it is desirable to identify ways for greater coherence between the policy options of the ESDP and Community interventions, which have a territorial impact. This report aims to initiate, within the European Commission departments, and in co-operation with the other Community institutions and Member states, a process which aims at examining territorial issues in a prospective manner and at strengthening co-ordination and co-operation.

2. RELATION BETWEEN COMMUNITY POLICIES AND SPATIAL PLANNING: KEY FINDINGS

The objective of the analysis of the relation between Community policies and spatial planning, and the policy options of the ESDP in particular, presented in Part II of this report is not to establish a formal confrontation, but rather to detect trends and cases where the integration of a territorial dimension in the different Community policies is emerging. Furthermore, the analysis is intended to help improving the final draft of the ESDP.

This section attempts to extract from that analysis the main findings and to derive some preliminary policy implications.

The objectives of each Community policy are derived, at least in a formal sense, from the provisions of the Treaties. In most cases, these objectives do not have a territorial character, apart from the provisions arising from economic and social cohesion (Art. 158-162) whose specific objectives each policy is invited to take account of.

Nevertheless, whether sectoral, structural or horizontal, Community policies exert significant impacts on the territory of the Union. The territorial impact is tributary of their specific methods of intervention, which can be grouped as follows:

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- (1) financial resource distribution from the Community budget. The territorial impact is different according to whether this involves:
 - supports to incomes (price guarantees, market policies in agriculture), which influence regional GDP, purchasing power in rural areas and also contribute to fix agricultural population;
 - regionalised structural measures, on the basis of economic and social cohesion objectives. The rules of programming under Community responsibility – which influence the size of the geographical areas eligible to structural interventions as well as the criteria for geographic and thematic concentration of financial resources – are not neutral in terms of territorial impact;
 - horizontal structural measures (orientation measures designed to improve agricultural structures, employment and human resource development measures involving the current Objectives 3 and 4 of structural policies), whose territorial impact depends at the same time upon the contents of the programmes drawn up by regional and national authorities and upon the local initiatives benefiting from these programmes;
 - sectoral policies, such as the financing of research programmes and initiatives of a cultural, education and training, tourist, environmental, energy or technological nature. The territorial impact of these sectoral policies is largely tributary of the location of the initiatives that get the funding. In general, the most developed regions are those which have the most dynamic socio-economic actors;
 - (2) the provisions of the Treaty, as well as detailed legislation and regulations (e.g. competition rules, market liberalisation, environmental legislation, market-based instruments), which affect the structural context for action, both of public authorities in Member states and of economic and social actors as a whole;
 - (3) the development of guidelines. This involves mainly the trans-European transport and energy networks, which provide a long-term perspective. Associated with the financing instruments, they play a critical role in the spatial-economic development.

The diversity of the methods of intervention of Community policies already reveals an implicit difficulty in grasping their effective territorial impact. Whereas in the case of economic and social cohesion, there are indicators (for example in terms of financial transfers) which make it possible to assess with more or less precision the impact of the various Community policies, a similar exercise is much more difficult in the context of the ESDP, and of spatial planning in general, whose policy options are of a qualitative nature and refer to new concepts, which have not yet been translated into precise indicators.

Moreover, a number of Community policies directly influence the behaviour of economic actors. Yet, their actions are also determined by market forces whose effects are in turn reinforced by the effectiveness of the Single Market. In these cases, it is often very difficult to isolate the influence of Community interventions.

Accordingly, an approach aimed at evaluating in a systematic fashion the territorial impacts of the various Community policies can be effective in a number of cases, but it is likely to encounter in many other cases serious methodological difficulties.

Thus, an alternative way to approach the problem consists in examining (i) whether they use in their design and implementation territorial concepts, (ii) whether these concepts can find a correspondence with the policy options of the ESDP and (iii) how a greater alignment and stronger mutual support could be envisaged.

From this perspective, a first, necessarily succinct, analysis of Community policies⁴ reveals indeed a plurality of territorial concepts of a very different nature. These concepts can be grouped in various categories:

(1) *Delimitation of areas eligible for financial support and modulation of assistance rates*

This category includes the majority of Objective areas eligible under cohesion policy. These areas determine the interventions of territorialised structural policies as well as the possibility of State aids with a regional purpose.

(2) *Improvement of basic infrastructures*

Certain Community policies intervene by financing infrastructures and basic equipment, which exert a direct impact on the territory. This is the case, for example, of the trans-European networks, in particular in the transport and energy sectors, both in their linear (e.g. motorways, high-voltage lines) and location-specific (e.g. intermodality platforms, power stations) aspects. In another area, the Financial Instrument for Fisheries Guidance (FIFG) supports measures for the management of maritime areas and the equipment of fishing ports.

(3) *Differentiation of policies and measures on the basis of specific territorial criteria*

A number of Community policies make use of territorial categories, for example in the case of the implementation of legal provisions in the field of environmental protection (e.g. areas selected for protecting given habitats and species of fauna and of flora under the network Natura 2000, vulnerable areas in relation to underground water quality under the “Nitrates” directive), of the attribution of specific aids (e.g. mountain regions, whose agriculture is also supported by a specific directive), of the definition of certain RTD themes (e.g. the “marine ecosystems” and the “city of tomorrow and the cultural heritage”, themes of key-actions of the Vth Framework Programme for Research and Technology Development).

(4) *Development of functional synergies*

Within the framework of some Community policies, territorial elements are taken into account to establish functional interdependencies and to emphasise synergies. Thus, research in the field of transport considers interactions between the use of the territory and transport demand or the relation between sustainable mobility and intermodality; regional policy attempts to promote regional innovation

⁴ See Part II of this Report for a detailed examination of the relation between Community policies and spatial planning.

strategies in phase with local needs; and energy policy is concerned with the development of solar energy in connection with town planning.

(5) *Design of integrated approaches*

More ambitious than the simple acknowledgement of functional interactions and the development of the synergies which can result, certain Community activities try to develop integrated and multisectoral approaches with a strong territorial dimension. It is the case of the policy for the integrated development of rural areas and in particular of the Community initiative LEADER (aid for the development and the diversification of agriculture and forestry, SMEs development and development of rural tourism, training measures). The Demonstration Programme on Integrated Coastal Zone Management (ICZM) constitutes another example for cross-sectoral integration and sustainable territorial development. This initiatives – based on the principles of participation and partnership – is aiming at the joint identification of a common strategic vision of development through effective co-ordination and co-operation between all the actors involved in coastal area management and by taking into consideration both the natural, economic, social and territorial potential of an area and its hinterlands as well as the limits of its carrying capacity. Similarly, the “Commerce 2000” action, in which several Commission services take part, is intended to maintain and further develop proximity trade by promoting best practice exchanges and their integration in structural interventions.

Yet, these integrated approaches are still relatively few.

These territorial concepts used – more or less explicitly – by the various Community policies can be confronted with those of the ESDP which are similar, if not identical in certain cases. Certain policy options of the ESDP refer to territorial categories or concepts for which specific objectives have been defined (cities and towns, rural areas, cultural landscapes, and so forth). Other options favour synergy (accessibility and public transport, wetlands and utilisation of water resources, etc.) or integrated management approaches (e.g. city networks, water resource management, integrated conservation of cultural and natural heritage). It seems therefore not only possible, but also even necessary to search for increasing coherence and convergence between these territorial categories and concepts.

The next section presents a number of options for further discussion.

3. OPTIONS FOR BETTER INTEGRATING EUROPEAN SPATIAL PLANNING AND COMMUNITY POLICIES

3.1. Community policies from the point of view of the policy options of the ESDP

The policy objectives and options of the ESDP do not apply solely to the areas concerned by economic and social cohesion policy, but to the entire European territory. Their field of interference, real or potential, with Community policies is therefore very broad. The analysis presented in Part II shows substantial coherence between the aims of the various Community policies and the policy options of the ESDP. In a number of cases, one can even speak of mutual reinforcement.

Economic and social cohesion represents a first common point between Community policies and the policy options of the ESDP. On the one hand, Community policies are required, by the Treaty, to respect this objective. On the other hand, the ESDP not only fully integrate it, but spatial planning can prove a remarkable instrument for strengthening economic and social cohesion. If the implementation of certain Community policies encounters some difficulties in relation to this objective, it is at least as much in relation to the provisions of the Treaty as in relation to the contents of the ESDP that improvements have to be sought at the level of these policies.

Another evident point of convergence between Community policies and the ESDP is represented by the notion of sustainable development. While the Amsterdam Treaty establishes that “*environmental protection requirements must be integrated into the definition and implementation of Community Policies and activities in particular with a view to promoting sustainable development*”, the ESDP indicates sustainable development as one of its key objectives.

It is equally important to consider that Community policies are elaborated and implemented in co-operation with (more or less, according to the case) the Member states. These interactions can have very different impacts on territories. In certain fields, they can strengthen the sectoral character of the interventions and in others to encourage a more horizontal approach.

The services responsible for given Community policies increasingly seek for and use territorial concepts and objectives as instruments to better define and implement their actions. In certain cases (e.g. tourism, energy, coastal and maritime areas), the draft ESDP seems poorly equipped to provide support and orientations. This is an example of how future work needs to better define such territorial concepts and objectives with a view to assist Community policies’ interventions.

Increasingly, within Community policies, steps are being taken in seeking links with other disciplines or fields of action away from a pure sectoral approach. In certain cases, more or less formalised multisectoral approaches have already emerged. Taking into account the territorial dimension can provide a coherent and common base for such approaches. It is moreover certain that “integrated policies” cannot exist without a territorial reference.

The existing processes of intersectoral co-operation appear nevertheless still too limited and poorly suited to treat territorial issues.

3.2. Potential elements of a pro-active strategy aiming to bring closer Community policies and the objectives of spatial planning

As a general conclusion, it can be said that the number and diversity of territorial categories or concepts, used by the various Community policies, alone justify the definition of a reference framework to ensure coherence and mutual reinforcement. Such a framework may not only serve territorial objectives, but also possibilities for improving the overall efficiency of Community interventions by avoiding overlaps and possible double expenditures. Elements of this framework can be defined as follows.

- It is evident that there are policy areas where further analysis is required. The research on the relation between spatial planning and sectoral policies being relatively recent, many dynamics of Community policies and their actual impacts

on the territorial distribution of activities remain unclear. For example, the impact of increased economic integration on the territorial distribution of economic activities may constitute an area for further research, in particular at times when microeconomic instruments (such as strategic spatial planning) are becoming increasingly important in dealing with the adjustment pressures brought about by an open and competitive market.

- The analysis presented in Part II shows that the alignment of Community sectoral policies with the objectives of spatial planning requires, in several cases, the translation of the ESDP policy options into concrete alternatives (optimally illustrated by cartographic support), corresponding to defined geographical areas. Indeed, the ESDP is, by its genesis, limited to policy objectives and options of a general nature which, for those responsible and involved in Community policies, can appear too abstract. Nevertheless, important elements of the Commission's Structural Funds guidelines for programme priorities for the period 2000-2006 – which, among other things, will set the framework for the evaluation of structural interventions – are already inspired by the policy options of the draft ESDP.

Yet, the process, which accompanies and will extend the ESDP, needs to be complemented by the development of more factual geographical options of spatial development. Such concepts should be based on the main ideas (nodality, polycentrism, intermodality, accessibility, city networks, ecological networks etc.) contained in the ESDP. Other inputs can be derived from spatial development's plans and programmes at the national and regional level. In certain cases, these additional elements can help to fill certain gaps of the ESDP. Those responsible for the various Community policies need to be associated actively with the development of these concepts, together with those responsible for spatial planning at national and regional level.

- Possible future work to improve the territorial coherence of Community policies should also benefit from the experience gained during the current period – as developed in the context of Agenda 2000 – within the framework of both the structural funds' reform and the seven transnational seminars on the ESDP. The ideas which are emerging have outlined a number of new problems, opened new prospects and led to new priorities which are – more than before – based upon territorial considerations.

For example, in the domain of rural policy, there is a growing interest and potential to develop multifunctional agriculture (employment conservation through the development of services not connected with agricultural products, such as those linked to landscape management), new forms of pluri-activity as a means of employment creation, or development of benchmarking for good environmental practices (starting with sensitive areas, because of their sometimes critical situation, and then generalising the application of these practices). Furthermore, cultural factors are emerging as a key element of development policies, whether for the *mise en valeur* of cultural heritage or for the development of specific functions and cultural infrastructures. Developing a synthesis of these concepts and, accordingly, of policies and practices – on the basis of an evolutionary understanding of socio-economic processes – could constitute an important field for co-operation in the future.

Community policies also offer opportunities of improving their integration at the urban level. Sustainable urban development is clearly emerging as an area of European territorial relevance. It could be appropriate to foresee as one main field of activity, during a first phase, work to achieve better territorial coherence of Community policies at the urban level.

- Within the framework of the enlargement preparation, the co-operation between the various Community policies for better territorial coherence will have an important educational function for applicant countries. They are asked to adopt and adapt a variety of new policies for the preparation of their accession, which seldom regard territorial coherence as a key criterion. A signal from the Community level may facilitate, in these countries, the emergence of more integrated approaches, as well as a more effective integration of regional planning in development policies. A similar dialogue needs to be engaged with neighbouring non-member states, including those in the Mediterranean basin.
- Still with the aim of a greater concretisation of the policy objectives and options of the ESDP in relation to the expectations and potential of various Community policies, it seems necessary to work out a joint vision for the development of the European territory. This would make it possible in particular to enhance – in a more integrated approach – the territorial elements pertaining to certain Community policies (in particular the trans-European networks and the network Natura 2000). Such an approach would also make it possible to aggregate the results of the various programmes INTERREG IIC, some of which were given precisely the task of developing a territorial planning vision for their respective area. The prospect of the next enlargement of the European Union further strengthens the need for such a vision. The national and regional leaders responsible for spatial planning should also be associated and/or be consulted within the framework of such an exercise.
- Finally, the development of this vision needs to be based on reliable, up to date and harmonised information systems covering the territorial features of the European Union. This is particularly important in the light of the size and diversity of the European territory, which make any representation and analysis particularly complex. In this context, the “territorialisation” of information and its representation by means of geographical information seems particularly important. Yet, a huge amount of information is already available, although often dispersed, not sufficiently harmonised and difficult to access. It is therefore urgent to consolidate existing databases and concepts not only for promoting territorial approaches in policy making, but also for policy co-ordination in general.

In conclusion, whereas the ESDP is about to be validated by the ministers responsible for spatial planning, the moment appears convenient to begin – in the framework of the discussion on spatial planning which accompanies the ESDP and extends it – a work and medium-term co-operation process involving the various Community policies and the Committee on Spatial Development. The objective of this work will consist in particular in developing decentralised territorial concepts and to provide the foundations of a joint vision for the development of the European territory.

4. POSITIONING OF THE COMMUNITY POLICIES IN RELATION TO SPATIAL PLANNING AND TO THE POLICY OPTIONS OF THE ESDP

4.1. Common agricultural policy and rural development

Stabilisation of agricultural markets (market policy) and adjustment measures based on structural and regional disparities among regions (structural policy) – the two components of the Common Agricultural Policy (CAP) as defined by Article 33⁵ of the Treaty – need to be considered in their close interrelation.

Since the Treaty of Rome, both the European Union and the CAP have fundamentally evolved. The relative weight of agriculture in GDP has decreased, as well as that of employment in agriculture. In addition, there has been a major improvement in productivity resulting from a better use of production factors, an increased use of capital and intermediate goods, and advancements in agricultural research and their diffusion to farmers. These changes took different forms and follow different rhythms depending on the specific characteristics of each region.

The 1992 reform – which resulted from socio-economic and political developments calling for an improvement of the competitiveness of European agriculture – marked a fundamental reorientation of the CAP. The drastic reduction of support prices made it possible to gradually bring back public intervention to its safety net function. Moreover, the introduction of a new instrument to support farm incomes – the direct payment at the hectare, possibly differentiated at regional level by Member states on the basis of the nature of soils and of productions – constituted an answer to the challenges posed by the new internal (enlargement, increase in productivity, etc.) and external (opening of the markets and international competition) context.

BOX 1 – CAP AND MARKET FORCES

The combined effect of agricultural market policies and of market forces shaped agricultural territories in very different ways.

The reduction of the number of holdings and the increase of their size led to the concentration of agricultural production on less land. This tendency has been in certain cases amplified by the concentration of certain productions in certain regions reflecting their specialisation in certain products such as in the porcine or poultry chains. This “regionalisation” of production is also clear in the case of cereals.

The main EU’s producers are France and Germany, followed by the UK, Spain and Italy. France is the principal producer of wheat, maize, sunflower and protein seed, Germany of barley and rye, while Italy is the largest producer of soy and durum wheat (in the South).

Half of the production (in volume) comes from 20 regions (NUTS II). Twelve of them account for more than 2% each of the total volume: Bavaria, Niedersachsen and Nordrhein-Westfalia in Germany, Centre, Picardy, the Champagne-Ardenne, Poitou-Charentes, Midi-Pyrenees in France, South-East in the United Kingdom and Castilla-Leon and Castilla-La Mancha in Spain, and Denmark.

⁵ Throughout the report, the Articles of the Treaty are referred to according to the new numbering as modified after the Amsterdam Council.

On the other hand, the accompanying measures of the 1992 reform (in particular regulations 2078/92 on agri-environment and 2080/92 on afforestation of arable land), which consolidated the redefinition of **market policy**, responded to concerns on the relation between environment and agriculture and the multi-purpose nature of agriculture. Indeed, the Maastricht treaty considered as a priority the integration of environmental aspects into Community policies. In this respect, agriculture and forestry were considered key sectors since they represent a very high proportion of the Community territory.

Thus, though implemented throughout the territory of the EU, market policy had to take into consideration the productive characteristics and various needs of each regional economy. The multiplication of specific cases increasingly encouraged the legislator to establish a European regulatory framework allowing a differentiation per production and/or per region.

The **structural measures** of the CAP aimed since 1968 to accelerate the process of adjustment of agricultural structures and the introduction of regional differentiation for the most disadvantaged regions.

BOX 2 – DIRECTIVE 268/75/EEC ON MOUNTAIN AREAS

The Directive (EEC) N° 268/75 concerns the Community action in support of farms in mountain areas and less-favoured areas.

These areas suffer from a series of handicaps (altitude, weather, etc.) which hamper economically viable productions. In order to preserve their economic, social and environmental characteristics, it is necessary to design special measures for preventing rural exodus and to ensure land occupation. Market policy alone is not sufficient; therefore a system of aids for supporting incomes in these structurally fragile areas had to be created. Allowances are paid to more than 1.1 million farms, which cover about 56% of the arable land of the European Union. This measure has an important effect in maintaining activities, jobs and people in sensitive areas and safeguarding landscapes as well as the environment.

Since 1968, Sicco Mansholt proposed in the Memorandum published by the Commission to introduce regional differentiation in favour of the most disadvantaged regions. This explicit territorial approach has been at the basis of directive 268 of 1975 (see Box 2) to support agriculture in the mountain and disadvantaged regions (compensatory aid for farmers). The constituent components of the future European rural policy were hence laid down.

In addition to the Directive 268, two other important instruments of the agricultural structural policy were set up: Directive 159 of 1972 on the modernisation of farms (which become Regulation 797 in 1985) and Regulation 355 of 1977 on the improvement of the marketing and processing structures of agricultural products. Investment aids on farms make it possible to improve their competitiveness. This aid consists inter alia of incentives to diversify into activities, which can get complementary incomes and safeguard the natural environment. The encouragement to invest in processing and marketing of agricultural products includes the protection of the geographical denomination or of the designations of origin of agricultural products. The Community also encourages the installation of young farmers. The horizontal instruments were gradually adapted in order to take account of the relative wealth of the various regions and to adapt to the evolution in agricultural markets and to the consequences of successive enlargements of the Union.

Since 1978, regional programmes are added to the horizontal instruments. Their aim was to provide complementary resources better adapted to the conditions of the regions concerned (Greece, Ireland, Italy, certain French and British departments) with a view to accelerate the adaptation of structures and the modernisation of rural equipment.

BOX 3 – LEADER: AN INTEGRATED TERRITORIAL APPROACH

The Community initiative LEADER is an example of an integrated territorial approach for rural areas. It aims to bring together local actors in order to design a development strategy based on a bottom-up approach and to allow the exchange and transfer of good practices. These experiences help to empower local actors and to develop their territory whose potential was until then underestimated. After an experimental period in 1991, the initiative experienced a growing success. During LEADER I (1991-1993), 217 local action groups (GAL) were formed; during LEADER II (1994-1999), more than 900 GAL or other collective actors became active. For the next period starting in 2000, the future rural development initiative will continue to develop integrated rural development strategies on the basis of local needs, with a view to facilitate the exchange and transfer of experience and know-how, as well as to encourage inter-regional and transnational co-operation.

Since the beginning of the eighties – under the joint pressure of the evolution of market policy, on the one hand, and of the successive enlargements of 1981 and 1986, on the other –, the structural policy in favour of rural areas has evolved substantially. In particular, the Community policy on rural development experienced an important change with the 1988 reform of the Structural Funds when it became part of the economic and social cohesion policy of the European Union. Rural development programmes (in Objective 1, 5b and 6 areas) were added to the structural measures referred to above. The implementation, in these areas, of integrated rural development programmes made it possible to exploit the potential of rural areas in addition to and in conjunction with traditional agricultural activities. They thus created new development prospects and favoured the development of hitherto marginal activities.

Rural areas account for 80% of the territory of the Union, include almost a quarter of its population and are characterised by a huge diversity. Agriculture and forestry remain the most important forms of land use; however, job losses in agriculture need to be compensated by employment creation in other economic activities while preserving the environment and the identity of the areas. Rural development policy has to encourage the diversification of economic activities through a territorial, integrated and multisectoral approach capable to preserve rural amenities and landscapes.

The agricultural strategy – which the Commission submitted in December 1995 to the European Council of Madrid – stressed the need for a further development of the CAP by continuing the process of reform of market policy started in 1992 and an integrated rural policy to accompany it.

On this basis, the Commission formulated within the framework of Agenda 2000, specific proposals with a view to continue the process of adaptation of the CAP. As regards market policy, there is a distinct need to intensify and extend the 1992 reform by further replacing price support measures with direct aid. Over the next decade, agriculture will have to adapt to (i) the changes in world market, (ii) the new CAP and (iii) the rules of the World Trade Organisation. These changes will affect

not only agricultural markets, but also the local economies of rural regions. Moreover, rural areas have to fulfil increasingly important functions related to environment and leisure, which in turn will require important adjustments of agriculture. A reorganisation and simplification of the framework regulating current instruments for rural policy will be presented in order to ensure that measures are implemented at the most suitable territorial level throughout the territory of the Union.

In recent years, rural development policy contributed to some of the objectives of the ESDP, more particularly by maintaining or creating jobs and by directing aid to the less-favoured regions where it succeeded in influencing the rate of rural exodus and of movements between rural and urban areas. The accompanying measures of the 1992 CAP reform have also contributed to the objectives of the ESDP insofar as they encouraged production practices compatible with environmental and natural resource protection or with the maintenance of natural space and landscapes (Reg. 2078/92) and insofar as they promoted the afforestation of agricultural land (Reg. 2080/92).

Generally, the objectives of the CAP and of rural development policy contribute to economic and social cohesion by safeguarding farmers' income, sustaining land use, maintaining activities and jobs in declining rural areas, protecting natural resources and maintaining traditional landscapes.

4.2. Environment policy

The Amsterdam Treaty establishes that *“environmental protection requirements must be integrated into the definition and implementation of Community Policies and activities in particular with a view to promoting sustainable development”*. The Cardiff Summit in June 1998 endorsed a Commission communication⁶, which – among other things – identifies energy, transport and agriculture as priority sectors, on which integration efforts should focus. These sectors are at the same time key sectors for spatial planning and development. Indeed, availability and use of natural resources of a durable quality are closely related to land use patterns, which in turn are responsive to economic development policies and requirements. In other words, sustainable environment and sustainable spatial development condition each other, most of the negative environmental impacts having their origin in territorial imbalances induced by competing and conflicting demands on given spatial potentials.

Community environmental policies are to a large extent footed on legal instruments and standards, which may significantly influence spatial planning in the Member states. Yet, due to partial failure of these corrective and protective environmental instruments to keep up with the pace of growth and because of the ubiquitous relevance of environmental concern across all key sectors – both horizontally and vertically –, increasing emphasis is put on preventive action which respects the overriding principle of “sustainable development” already at the policy formulation

⁶ “Partnership for Integration – A Strategy for integrating environment into EU policies”, COM(98)333.

and planning stage. Among the most significant **environmental legislative instruments**, it is worth mentioning:

- The 1979 Bird's Directive (79/409/EEC) laid the foundation of the Community's nature policy. It establishes Special Protection Areas (SPA) covering more than 10 million hectares which have led to a Community-wide area network constituting an important part of the coming NATURA 2000 network.

BOX 4 – THE NATURA 2000 NETWORK

The Birds and Habitats Directives are aimed at promoting the maintenance of biodiversity, while taking account of economic, social, cultural and regional requirements. This is to be achieved in particular by the establishment of a Community-wide network of protected sites, called Natura 2000. Human activities in or near Natura 2000 sites should be maintained, and encouraged where appropriate.

However, where a plan is likely to have significant effect on the site, the competent authority is obliged to ascertain that it will not adversely affect the integrity of the site. Where this assessment is negative, the plan may go ahead for overriding reasons of public interest, but compensatory measures must be taken to maintain the overall coherence of the Natura 2000 network. Where the site hosts a priority habitat and/or species, the only considerations that may be taken into account are those of human health or public safety.

The Natura 2000 network, therefore, has a potential impact on every sector, and, in particular, on agriculture, transport, tourism, waste and energy. The need to integrate the philosophy of these two Directives into all aspects of spatial planning is clear.

- The 1992 Habitat Directive (92/43/EEC) represents the principal tool for nature conservation at the European level. It defines a common framework of action whereby Member states are responsible for concrete implementation in the respect of defined rights and obligations. Prior assessment of territorial development plans and programmes that affect conservation areas are compulsory. This network will constitute the first positive experience for Community wide zoning and organisation of territorial management based on shared responsibility between Member states and the Commission.
- EU regulations on waste (Directives 91/156/EEC and 91/689/EEC) have been important contextual factors for national and regional policy formulation. Member states are bound to draw up and up-date waste management plans covering the whole territory and which constitute an important tool for developing and implementing regional/territorial waste management policies based on the general principles of proximity and of self-sufficiency for disposal operations. Though territorial differentiation is generally not applied, specific territorial cases have been addressed such as waste management strategies on islands or mountain areas or regions under southern climate conditions⁷.
- A whole series of existing Community legislation aims at achieving and /or maintaining clean waters – surface waters and groundwater, freshwaters and marine waters, including bathing waters as being of particular interest for tourism. These directives have effects on the spatial development both of urban and rural areas and on the scope and intensity of economic activity. This is true for surface waters and groundwater with increased nitrates pollution or

⁷ The Commission is preparing a Directive on landfill, which will have considerable spatial effects.

eutrophication (agricultural practices, level of waste water treatment), especially if their requirements are combined with the eligibility for EU co-funding (e.g. cohesion fund –waste water treatment plants are compulsory elements of national/regional development plans).

Complementing and co-ordinating this existing water legislation, the forthcoming Water Framework Directive as proposed by the Commission⁸ will expand the scope of water protection to all waters and set a framework for future action to prevent deterioration and ensure achieving or maintaining a good status for all waters within a set deadline. The river basin management plans to be established and implemented under the Water Framework Directive will require co-ordination of all measures aimed at water protection including the obligations under the Urban Waste Water Treatment Directive and the Nitrates Directive. Both Directives have an explicit territorial dimension, requiring designation of catchment areas subject to or vulnerable to pollution from nutrients. Also, the Water Framework Directive will require a spatial identification of all activities liable to cause pollution or other impact on water bodies, thus contributing to a more holistic approach to water management.

- Abatement of air pollution has been a Community concern, which has lead to a series of directives to protect human health and the environment, focussing in the first instance on the sources of emissions and on the monitoring of air pollution. Concentration limits can have direct impacts on activities in certain mostly urban or industrial areas (e.g. mobility restrictions in case of overcoming ozone thresholds). Combined with “emissions registers” and air quality mapping, these instruments can have an impact on spatial planning policies.
- Community action on noise has essentially focussed on noise directives acting on individual sources of noise such as machines, vehicles and aeroplanes. As a result, Member states have set standards for noise exposure in sensitive areas. These limits are often incorporated into national abatement laws and land use planning methods, thus influencing new infrastructure developments. However exposure to environmental noise has not seen significant improvements mainly due to continuous growth and spread of road bound traffic in space and time, partly induced by the development of new leisure activities and tourism. In order to improve coherence of the various types of action, a new Framework Directive for the assessment and reduction of ambient noise is being prepared by the Commission.
- Environmental impact assessment (EIA) foreseen under Directive 85/337/EEC covers mainly infrastructure investment. Its integration in the decision-making process makes it an important environmental policy tool for influencing the location of projects. In some Member states EIA has now become an integral part of land use regulations and permission procedures. Furthermore, this Directive has a cross-border co-operation dimension because of its information requirements in relation to neighbouring countries and region for projects with possible trans-border impacts.

⁸

See Commission Proposals for a Water Framework Directive COM (97)49 final, COM(97)614 final and COM (98)76 final.

Strategic impact assessment (SEA) anticipates possible consequences of development proposals instead of reacting to them, as is the case of EIA. Where applicable, new Community policies and instruments make explicit reference to the requirement to undertake a SEA such as the Habitats and Waste Directives (see above) as well as to the Structural Funds, which require that in the programming, process SEA is applied to plans and programmes. In the context of the trans-European networks (TEN), the Commission is preparing methods for SEA to assess the TEN in relation to their territorial impact (corridors).

The Biodiversity Strategy [COM(98)42 final] of the Community is a further important example of how environmental requirements can be integrated into other policy fields. It is meant to provide a framework for addressing objectives of sustainable use of biodiversity across the territories that do not constitute “protected areas”. In so doing, the strategy defines a number of territorial concepts:

- Ecological corridors and buffer zones
- Unprotected sensitive areas (mountains, coastal areas, islands)
- Rural areas that constitute an important factor for combining economic objectives with nature and landscape conservation
- Integrated planning and management approaches.

Environmental instruments and legislation influence, and often explicitly address, **specific economic sectors**. For example, a series of Community legal instruments in the environment/energy sector is intended to significantly reduce emissions of greenhouse gases. Some of the expected effects interact with spatial planning such as the development of district heating in urban areas or the increased use of renewable energies.

In the field of agriculture – in particular in combination with the legislation on nitrates and drinking water –, financial support to implement measures in line with EU Directives is extended to farmers under the “agro-environmental” regulation (92/2078/92). The implementation of the Agenda 2000 reforms will put even more emphasis on the environmental and territorial requirements for sustainability, calling for a new understanding of farming and other economic activities in rural areas, covering conservation measures for landscape and nature and their sustainable use.

Similarly, in the industrial sector, environmental strategies and instruments with a territorial dimension determine area limitations in the field of water, air, noise and waste as well as of nature protection and conservation of biodiversity. Land use management is expected to give priority to the rehabilitation of derelict industrial sites (brown-fields). Industrial settlements on “new” land shall be limited and shall be the subject careful spatial and infrastructure planning taking account of all environmental effects and externalities.

With the increasing appearance of natural disasters all over the European territory, preventive civil protection action on natural and technical hazards (floods, fires, earthquakes, chemical accidents...) are the subject of horizontally integrated and common civil protection guidelines, currently under preparation. Council Decision 98/22/EC establishing a Community Action Programme in the field of civil protection provides a framework for the joint establishment of common principles and guidelines for preventing disaster and for mitigating them.

In conclusion, a direct relation can be established between these provisions and those of the ESDP, whether it is to “*develop further a European ecological network*”, for the “*management of environmentally sensitive areas or areas of high biodiversity*”, for the “*development of strategies reconciling economic development with the responsible maintenance of the natural heritage in the other rural areas*” or for the “*management of the water resources*”.

4.3. Transport policy

The Common Transport Policy (CTP) aims to promote effective and sustainable transport systems, which meet the needs of people and of business. According to Article 70 of the EEC Treaty, the fundamental objectives of the CTP are those of the Treaty itself: the promotion of sustainable and non inflationary growth, the respect for the environment, a high degree of convergence of economic performances, as well as of employment, social cohesion and solidarity among Member states.

The methods of intervention of the CTP include: development of legislation, technical harmonisation, the development of guidelines (TEN), programme co-financing, research and development, promotion of best practices and benchmarking.

The principal territorial aspects of the CTP concern: infrastructures, research, intermodality and logistics, charging of infrastructures, accessibility and land use. The questions related to the liberalisation of transport are examined in the section concerning competition policy and the contribution of transport-related research is treated in the section research and technological development.

The CTP played an important role in the implementation of the Single Market. A well-established element of the CTP is the development of the **trans-European transport network** (TEN-Transport) which is intended to contribute to the functioning of the single market and the strengthening of economic and social cohesion. Through the Structural Funds, the Cohesion Fund, the European Investment Bank, the European Investment Fund and (to a lesser extent) through the TEN-T budget line, the Union is involved directly in the financing of investments aiming at the development and modernisation of the transport infrastructures as well as of the measures to ensure an effective use of them. The pattern of future development of the TEN-Transport should be guided by the objective of providing a value added to the Community as a whole.

The TEN-Transport covers road, rail and inland waterway networks, the seaports, inland ports, airports and other interconnection points. The connections of peripheral regions are included, despite the low volume of traffic in certain cases. Because of the considerable financial needs for carrying out the TEN-Transport – estimated at roughly 400 billion EURO – the role of Community funds is especially important as leverage for other financial sources, whether private or public, within the Member states. In the light of the future enlargement of the Community, the Commission is working, in collaboration with the applicant countries, on the development of the future TEN-Transport in their countries based on the Pan-European Transport Corridors. This includes identifying projects, priorities and financing (TINA Project)

One of the objectives of the Commission is to enhance the multimodal component of the TEN-Transport – currently based on the various modes of transport – in a

system of intermodal infrastructures and integrated transport chains, also for the benefit of distant and peripheral European regions⁹. Work has started with the identification of certain key nodes for interconnection between transport modes. In this context, an important priority lies in the interconnection of the TEN-Transport with the secondary networks. The ESDP may be of great help in this area.

The activities promoted in the field of **intermodal freight transport** span from RTD programmes (see section 1.4) to developing concepts for intermodal statistics. Close attention is paid to evaluation and benchmarking. Common standards prove essential for the effectiveness of transport chains and intermodal terminals in Europe. The initiatives undertaken to promote combined transport also aim at making better and more efficient use of available transport infrastructure.

Based on several documents brought forward by the Commission, a valuable debate on the desirable approach to **charging** for infrastructure use and for environmental costs is taking place at Community level. Prices are one of the fundamental determinants of transport behaviour. Fairer and more efficient transport pricing should contribute to environmental improvements, while at the same time safeguarding competitiveness and cohesion in the Union.

Moreover, the Commission pays increasing attention to the local level, in particular to **accessibility and land use**. The issue is to reduce congestion by means of more integrated transport systems and also through land use planning that lowers traffic flows – in volume and distance – knowing that the latter approach can have an effect only on the long term. It is primarily by means of research projects, promotion of best practices and congestion charging principles that the Commission addresses these questions.

BOX 5 – WHITE PAPER ON FAIR PAYMENT FOR INFRASTRUCTURE USE

In its recent White Paper on Fair Payment for Infrastructure Use [COM(98)466], the Commission proposes a gradual and progressive harmonisation of charging principles for commercial transport in all modes. The users of transport infrastructure should pay for the costs they impose, including environmental and other external impacts, as close as possible to the point of use. The White Paper also promotes greater use of social cost/benefit analysis, whereby the social, environmental and spatial consequences of investments are considered as an integral part of the investment decision.

The proposed pricing system is likely to generate significant overall benefits that would also accrue to economically less developed regions. Charges would be based on the costs of the use of infrastructure, so that regions with less congestion and pollution would face lower charges. Therefore there is no reason to believe that, as a general rule, peripheral and less developed regions would be adversely affected by the application of a marginal-cost charging scheme. In those cases where there is some concern that certain higher transport user charges could impede the economic development of peripheral or economically less developed regions, there may be a case for flexible implementation of price reforms.

Generally, the relations between transport systems and territorial development are real, but complex. Transport is the result of derived demand and has to be

⁹ A proposal amending the TEN-Transport guidelines (decision no. 1692/96/EC) is intended to reinforce the position of seaports, inland ports and intermodal terminals as intermodal connection points inside the framework established in the guidelines for the development of the TEN.

increasingly considered in relation to spatial planning and other sectoral policies. It appears, for example, that the continuation of the extension of the TEN-Transport is a necessary but not a sufficient condition for optimal territorial integration, because the various regions are affected differently. At local level, a certain density threshold is necessary for the networks and public transport services to be profitable. On the other hand, high levels of infrastructures and transport services increase land values, thereby creating segregation of urban functions and – in the long term – new increase in transport flows.

Transport systems and services will continue to be important driving forces for territorial development in Europe. The optimum integration of the objectives of transport policy with those of economic and social cohesion, of competitiveness and of sustainable development should contribute to improving spatial planning at European level, by aiming at a more balanced and harmonious development of the European territory.

In order to obtain the most efficient territorial organisation of the EU, priorities as regards transport have to be examined from three different angles: in terms of relations between geographical areas, of relations with other sectoral policies to exploit synergies as well as of relations between various levels of government which have shared responsibilities. In this context, the ESDP could play an important role in indicating how regional and urban planning could improve access to TEN-Transport. Common references could be defined for the formulation and implementation of policies, and in this way, higher cohesion between the territorial development strategies of the Member states could be promoted.

In relation to the policy options of the ESDP, those pertaining to the second field (*“parity of access to infrastructure and knowledge”*) broadly correspond to the objectives of the Common Transport Policy, while those involving the first and third fields are more neutral. In particular:

- a potential difference may exist with the option *“reinforcement of the economy of small towns in rural areas where a solid urban development base is difficult to establish”* and *“support for the development of endogenous potential in these areas”*, because improvements in transport can increase the competition on the part of the firms of the more developed regions. However, this conflict may be resolved by complementary efforts to encourage investments in rural areas;
- in the second field, the policy options involving *“better accessibility”* corresponds to the objectives of the CTP, pending additional precision of the concept *“more balanced intercontinental accessibility”*;
- the policy options under *“more efficient and sustainable use of infrastructure”* correspond to the objectives of the CTP, with the possible exception of the option *“sharing and co-ordinated management of infrastructure where competition is resulting in over-supply”*, for which the notion of “over-supply” and “co-ordinated management” should be further specified;
- in the third field, the policy options of the ESDP are generally neutral in relation to the CTP. Conflicts are however possible between investments in transport infrastructures on the one hand and *“conservation and development of the natural heritage”* and *“conservation of the cultural heritage”* on the other. Environmental impact assessment appears necessary in these areas.

4.4. Telecommunication policy

Since its establishment in the middle of the eighties, the telecommunication policy of the European Union has been centred on two principal objectives: economic effectiveness and general interest¹⁰. The implementation of these objectives was accompanied by the application of a series of complementary principles: market liberalisation, harmonisation of conditions for a common regulatory framework (in particular through the notions of Open Network Provision and asymmetry) and promotion of European players in the World telecommunications market.

The on-going transition from individual national monopolies under close State control to competition within a progressively open Single Market has therefore required appropriate regulation, in particular to ensure continuity of service during this transition and to avoid the loss of already achieved economies of scale.

Though the **liberalisation** of telecom markets – and the related question of universal service provision – is dealt with in the section on competition policy, it is worthwhile here to mention one aspect of the liberalisation process, which can have an impact on the organisation of economic activities on the territory.

The restructuring of the telecom sector and the technological development that it has stimulated has had a significant impact on **tariff structure**. From a spatial planning perspective, there have been both gains and losses. On the one hand, the rates charged for long-distance communications within single network have fallen substantially – and the prospect of Internet telephony indicates that further progress may be expected.

On the other hand, the plethora of tariff permutations with various discounts and new premium and split-cost options (where the person called pays some or all of the total charge) has introduced new commercial barriers to traffic between different network. Furthermore, it is likely that the benefits of competition in the long distance communication markets have been achieved, at least partly, by higher subscription and more expensive tariff costs for local calls. The net effects on location decisions and on the competitive position of less favoured areas remain undetermined.

There are significant differences between the Member states and between the regions as regards the level of telecom infrastructures and, in particular, services. One particular feature of the economics of providing **telecommunication services** is the lack of simple proportionality between scale of operation and return on investment. In other words, telecom services are unprofitable when operated on a small scale, but can be highly profitable when operated on a large enough scale. Thus, although, under competitive pressures, investment in these services would otherwise tend to be concentrated disproportionately in the largest markets, the advantages of exceeding the critical mass provide an incentive to ensure access is available everywhere, despite variations in the density of population and economic potential throughout the Territory of the Union. From a territorial development

¹⁰ The same objectives are shared by the action of the Commission in the area of postal policy. The key elements of such policy are the gradual liberalisation of postal markets, harmonisation and the guarantee of universal service (which has an implicit territorial dimension).

perspective, the problem remains for those areas where even when demand exists the critical mass is not reached.

The promotion of new innovative telecommunications services and applications is one of the objective of trans-European networks in the field of telecommunications. A decision of the Council and of the Parliament concerning a series of Guidelines on the **trans-European telecommunications networks** was adopted on 17 June 1997. The TEN-Telecommunications programme implements a series of projects of common interest in co-operation with private and public partners. Some of these projects, in the areas of transport, mobility, environment, education and training, urban and regional information networks, small and medium-sized enterprises (SMEs) etc., are likely to have an impact on spatial planning.

Since 1993, the Commission is developing a wide and increasing range of actions in the area of the **Information Society**, which refers to the socio-economic impacts of the rapid diffusion of information and communication technologies to all realms of human activity. The diffusion of the Information Society is not neutral with regards to the territory and a new economic geography is on its way. Recent research shows, for example, a major influence on the regional location of economic activities with strong centralisation of decisions and control functions and decentralisation of production activities to better exploit comparative advantages.

In order to help territories to adopt and adapt these technologies to their specific needs, specific pilot projects have been launched such as the Regional Information Society Initiatives and the multiannual Community programme PROMISE adopted in March 1998. The latter concerns – amongst other things – actions of co-ordination and dissemination on a European scale based on regional structures integrating SMEs in individual sectors.

Box 6 – INTourISME

The overall goal of this action is to help SMEs in less favoured regions (LFRs) to take advantage of Internet multimedia capabilities in order to market their services on a world-wide scale. A European co-ordination structure is devoted to promote the usage of electronic commerce through the Internet network amongst SMEs operating in the tourism sector and located in LFRs. The users will be able to browse information, issue requests, and operate transactions simply by using a standard commercial web browser.

The Information repository will store information on different items of tourist interest such as: sports facilities, events, restaurants and accommodation, transport, information about the places, local information etc. The information will be entered and maintained in the Information repository in the local language. A thesaurus will guarantee the search of documents using multiple languages. The proposal obtained strong participation from LFRs and nowadays it covers more than 50% of the tourist offer in Objective 1 regions in Europe (52.8%).

InTourISME was conceived in October 1996 and will continue for 30 months, from 1997 to 1999. The project co-ordinator is the *Govern Balear – Institut IBIT*, but participants from Greece, Spain, Italy, Portugal, France, Finland, the United Kingdom and Sweden, whose considerable knowledge and expertise in the field of both tourism and technology have been invaluable, compose the consortium.

InTourISME project is co-funded by DGXIII and DGXVI.

For more information: <http://www.caib.es/govern/ibit>

The Community telecommunication policy has a direct relation with the policy options of the ESDP *“increasing access to information technologies and raising awareness [...] of the information society [...]”* and *“improvement of access to telecommunication facilities [...]”*.

Moreover, advanced telecommunication systems can have an indirect positive impact on the policy options of the ESDP related to the *“co-operation within networks of towns and cities at the transnational and European levels, and of smaller towns in sparsely populated rural areas and in a number of economically lagging regions”* and the *“maintenance of a minimum level of services in small and medium-sized towns in rural areas facing decline or abandonment”*.

4.5. Energy policy

Originally, the European Community dealt with energy only through the ECSC (European Coal And Steel Community) and EAEC (European Atomic Energy Community) treaties. In 1974, after the first oil crisis, the adoption of an energy policy strategy appeared necessary and, during the eighties, the Community started to define common objectives. At the beginning of the nineties, the energy sector entered a period of changes marked by the increase in the energy dependence of the Community, by the constraints imposed by environmental protection arising from the increase in energy consumption and by geopolitical changes affecting at the same time the Community's supplies and the development of consumption.

Community actions in the energy field are based on various titles of the Treaty, whether on the Single Market (Art.95), environment (Art.174-176) or trans-European networks (Art.154-156). Following the 1995 White Paper on “Energy Policy for the European Union” and the Communication “A global view of energy policy and actions”, the Council adopted in November 1998 the multiannual framework programme for actions in the energy sector (1998-2002)¹¹ which identifies three priorities:

- overall competitiveness;
- the improvement of security of supply;
- environmental protection.

The field of energy interfaces in two ways with territorial issues. On the one hand, the **production and transmission** of energy may have negative impacts that need to be mitigated, with a series of consequences on land use patterns. On the other hand, the **distribution** of energy and consumption technologies, according to their technical features, influences the organisation of the territory via induced changes on consumers' behaviour. Thus, the interplay between those elements of energy policy that are of Community influence and spatial planning can be examined from several different viewpoints.

The availability of energy at affordable prices is a key condition for regional competitiveness, in particular for less favoured and peripheral regions. For these regions especially, a focus on the development of local renewable resources, the

¹¹ The programme has been published on the Official Journal n.L7 of 13 January 1999.

rational use of energy, and a sound energy balance are important considerations for spatial planning.

BOX 7 – CO-GENERATION OF ELECTRICITY AND HEAT

In the context of spatial planning it is worth highlighting one specific technology related to the rational use of energy, namely combined heat and power (CHP). CHP plants provide both heat and electrical power and thereby optimise the overall energy efficiency. While the siting of large-scale power plants is determined by fuel availability, CHP generation needs to be close to the end-user given that heat cannot be transported over long distances. The new CHP plants are smaller than conventional power plants and are generally fitted with state-of-the-art environmental protection equipment, making it easier to obtain approval by the relevant authorities. Limited plant size and required proximity to the end-user are the main CHP characteristics with spatial planning implications, in particular in urban surroundings.

See also the Commission's Communication "A Community strategy to promote combined heat and power (CHP) and to dismantle barriers to its development", COM(97)514 final of 15/10/97.

Similarly, the liberalisation of electricity and gas markets and **trans-European** Energy networks – which provide a long-term vision of the territory – have significant territorial impacts in terms of the localisation of activities and jobs.

The **electricity TENS** are primarily concerned with isolated network connection as well as with the improvement of interconnections between Member states and third countries. The principal objective is therefore to interconnect existing systems, in most cases with a cross-border dimension. Although the networks for electricity transmission are by nature long distance, the detailed execution of interconnections (e.g. exact routing and environmental effects) directly impacts on local planning. The territorial aspects of electricity network deployment have to cope with increasing difficulties as regards authorisation procedures, acceptability to the citizen and diversity of technical requirements. For these reasons, the Commission has adopted in December 1998 a recommendation on authorisation procedures. The ESDP could bring new light to this field.

The **gas TENS** are markedly different and include the introduction of natural gas into new regions, the connection of isolated or separate gas networks, the increasing of capacities for liquefied natural gas (LNG) and underground storage as well as the construction and improved routing of gas pipelines.

The introduction of natural gas into new regions has without doubt a positive impact in terms of regional economic development, security of supply and the environment. In this respect, gas networks policy has an explicit territorial dimension. Although the laying of gas pipelines has in general less significant environmental impact than overhead electricity lines, difficulties as regards procedures may also occur (e.g. lengthy negotiations of the "right of ways" with large numbers of land owners). Supply networks for natural gas require large storage sites, generally underground. Location is determined by geological criteria, which restrict the possible options for spatial planning. Still, environmental considerations such as groundwater protection have to be integrated in such measures.

The Commission's strategy for promoting **renewable energy sources** has been presented in the White Paper "Energy for the future: renewable energy sources"¹². Often, huge surfaces are needed to produce significant amounts of electrical power from solar, wind, water and biomass resources. Yet the key problem renewable energy sources are facing has more to do with the discontinuity of production and expensive investment costs than with land use. Moreover, the site-specific nature of renewable energies favours power system decentralisation and locally applicable solutions, which are more flexible and beneficial to spatial planning. Indeed, improved demand management, promotion of energy efficiency and a better use of regional resources reinforce energy management at the local and urban level.

BOX 8 – WIND POWER AND SPATIAL PLANNING

Replacing energy-producing installations based on polluting fossil fuels with clean facilities has an important impact on spatial management from an environmental point of view.

For example, wind energy is largely competitive today and has already been widely installed at specific sites with favourable conditions. Areas potentially suitable for wind energy applications are dispersed throughout the EU and, at present, some have to bear additional costs due to their particular location, which increases installation and/or operational costs (areas far from existing grids, in very cold, hot or dusty climates, offshore, islands, remote rural areas, etc.). In particular, there is enormous potential for offshore wind farms, which have the advantage of higher wind speeds, although access is clearly more difficult. Wind energy technology is developing fast, and research efforts have reduced the average weight of wind turbines as well as their noise emissions while at the same time increasing the annual energy output per turbine.

There are strong interrelationships, at local level as well as on the macro scale, between the energy sector and spatial planning, and hence between Community projects in energy matters and the political objectives and options of the ESDP. Generally, they concern two fields, which are mutually reinforcing. The Energy-TEN, as well as the ESDP, have the aim of strengthening economic and social cohesion. Various policy options of the ESDP are convergent with the priorities of energy policy, in particular:

- *“the development of renewable energy in rural areas, with due consideration of local conditions, especially the cultural and natural heritage”;*
- *“the improvement of the business, environmental and social service infrastructure of cities located in the less favoured areas”;*
- *“the promotion of prudent management of the urban ecosystem”.*

Finally, it appears that in the future energy policy will increasingly seek criteria and concepts involving spatial planning, whether for the construction of high voltage lines, the development of renewable energies, the location of combined heat and power stations or the restructuring of the energy infrastructures and systems of the applicant countries of Central and Eastern Europe. In this respect, the ESDP and its follow-up work should reinforce their attention to energy-related issues.

¹²

COM(97)599 final of 26/11/1997. Further, a Directive on the access of renewable to the internal electricity market is forthcoming.

4.6. Single Market, Economic and Monetary Union and competition policy

Economic and Monetary union (EMU) and the completion of the Single Market are expected to exert various indirect territorial effects. The **Single Market** is based on the freedom of movement of goods, services, people and capital within the EU. The removal of barriers in all these areas is providing new opportunities for businesses and individuals, by improving the allocation of resources and enhancing the accumulation of productive factors. The creation of the Single Market has led to an accelerated process of adjustment for economic operators.

The move by 11 countries to the final stage of the **Economic and Monetary Union** (EMU) on January 1st 1999 will further promote integration, and lead to medium and long-term benefits through greater economic stability. All territories of participating countries will benefit from enhanced access to Single Market due to increased integration, brought about by the EURO's reduction of transaction costs and risks. Yet to date the empirical analysis available does not allow for clear-cut conclusions on the effects of various adjustments, taking place in the wake of these changing environments, on regional balance and disparities.

Ultimately, the geographical distribution of economic activities within the EU deriving from the Single Market and EMU will be affected by changes in patterns of specialisation and by the relative capacity of economic and social actors in different territories to respond to shifting patterns of opportunities and constraints.

Competition policy favours the realisation of the Single Market. Accordingly, the general arguments outlined above apply as well. Among the various actions of the Commission in competition matters, however, two deserve particular attention.

Recognising the need to facilitate innovation, and to bring down the costs of usage, the European Commission has promoted and supported the liberalisation of telecommunication, transport, energy, post and public procurement markets. Economic liberalisation constitutes a transition stage between protected markets and open markets. The territorial impact, in particular in terms of location of activities and of jobs, of supply of services can be very significant. Indeed, liberalisation tends to direct investments toward areas characterised by high demand and low cost of provision, i.e. metropolitan areas of the richer regions.

For this reason, Commission policy recognises that there is a need to intervene to ensure equilibrium between liberalisation and general interest objectives, such as economic and social cohesion and environment protection¹³. For example, in the telecom and postal markets, liberalisation is accompanied and complemented by provisions to ensure universal service and, where necessary, its financing through the creation of specific mechanisms funded by market players. This regulatory approach has been chosen partly to avoid "cherry picking" by new entrants who are not themselves required to deliver universal service and who are likely to focus their

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In a general sense, the Commission supports the key principle that general interest services constitute an essential element of socio-economic cohesion. See COM(96)443 final of 11 September 1996 on "General interest service in Europe". Moreover, Article 7d of the new Treaty agreed in Amsterdam in June 1997 recognises – without prejudice to Articles 77, 90 and 92 of the Treaty – the importance of services of general economic interest in promoting "social and territorial cohesion".

activities on both business and residential customers in and around major cities, but also to ensure that all citizens of the Union have access to certain services of high quality at prices they can afford.

Similarly, the liberalisation of the transport sector under the Common Transport Policy has been embedded in a legislative framework, which seeks to provide the conditions to ensure the availability and affordability of transport services for all European citizens. This implicitly recognises that the liberalisation of services in the absence of an appropriate regulatory framework could result, firstly, in the under-provision of services to less-densely populated, rural or remote regions and, secondly, in the establishment of a system of preferences between transport modes which is inefficient and unsustainable over the longer-term.

The control of **State aid** constitutes a second strand of the Community's competition policy. State aid has always been an important instrument of economic policy. However, State aid – which discriminates between companies that receive assistance and others that do not – can obstruct the free interplay of competition which ought to characterise the Single Market in accordance with the principles laid down in Article 3(g) of the Treaty. The authors of the Treaty avoided imposing a total ban on State aid. Instead they designed a system which, while centred on the principle that State aid is incompatible with the common market, nevertheless provides exemption of aid granted for specific purposes. Furthermore, under Article 88 of the Treaty, the Commission has the exclusive jurisdiction to monitor and control State aid.

From a territorial point of view, the most significant exemptions probably are represented by the State aid aiming to encourage the economic development of less-favoured regions (Articles 87-2 and 3 of the Treaty). Aid provided under these incentives is considered principally as an instrument to promote regional development. By providing incentives for the location of new companies and the extension or modernisation of existing firms, regional aid can contribute to a more balanced distribution of economic activities within the Member states as well as throughout the territory of the Union. Moreover, the State aid can also be used as an instrument of spatial planning at local level, influencing companies' location decisions within regions, for example at the urban/suburban level.

In its policy of control of State aids, and in particular of regional aids, the Commission pursues two main objectives:

- to make sure that aid is concentrated on the least favoured regions; and
- to maintain a differential in aid intensity between regions to allow the weaker regions to compensate for their structural handicaps.

In the years to come, the policy of control of the State aid will remain for the Commission an important priority, in particular in view of Economic and Monetary Union and of the next enlargement of the Union.

In 1997, the Commission adopted new regional aid guidelines. These guidelines represent at the same time a consolidation of the Commission's approach relating to regional aid and a response to the challenges which EMU and further enlargement will present to the Union. From a territorial point of view, the most important elements of the new guidelines can be summarised as follows:

- the reduction of the population covered by regional aid from 47% at present to 42.7% by 2000 ;
- the general reduction of the permitted regional aid ceilings, while maintaining the aid differential between the weakest regions and the strongest regions;
- a new method for the designation of the regions eligible for the exemptions of Article 87-3 (a) and (c) allowing at the same time greater coherence with the regions eligible for the Structural Funds and greater flexibility for Member states which can be exploited in particular for spatial planning purpose.

Positive interactions between the exemptions relating to State aids and the policy options of the ESDP are numerous. One can quote for example the exemptions falling within Article 87-3 (a) and (c), which allow the implementation of strategies involving the policy options:

- “*partnership between towns and the countryside*”, “*diversification of rural areas*” (aid for the development of local resources; aid making it possible to maintain an appropriate level of basic services in rural areas) ;
- “*better accessibility*” (possibility of granting transport aid to offset additional transport costs in the outermost regions and in the regions of low population density);
- “*diffusion of innovation and knowledge*” (possibility of aid to R&D, to small and medium-sized enterprises for technology transfer actions);
- “*conservation and creative management of the cultural landscapes*” (possibility of aid for the promotion of culture and the conservation of the heritage).

4.7. Economic and social cohesion policy

The most important territorial effects of cohesion policy arise from the provisions of Articles 158-162 of the Treaty establishing the European Community¹⁴.

The main objective of the Structural Funds is to reduce the disparities between the levels of development of the various regions. In this respect, the Structural Funds – and the **European Regional Development Fund (ERDF)** in particular – follow an economic convergence logic (as measured by traditional macroeconomic indicators) which does not necessarily translates into a balanced distribution of economic activities.

Indeed, the First Report on Economic and Social Cohesion concluded that, overall, disparities have tended to decrease. However, regional disparities within many Member states have become more pronounced. This suggests that concentration of economic activity and prosperity has been maintained or even increased. This is often related to more rapid economic development in certain regions, and is a typical feature of national catching-up processes. A balance therefore needs to be struck between the continued promotion of national convergence towards EU average

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In the context of economic and social cohesion, State aids allocated on the basis of Article 87(3) of the Treaty are also to be mentioned, since direct effects on the territorial development of the Member states may arise. See section on competition policy.

income, and ensuring that lagging regions are not cut off from enhanced development opportunities.

From a spatial planning perspective, neither the regional development plans which Member states are required to submit in order to receive EU funding, nor the resulting Community Support Frameworks (CSFs), nor individual operational programmes to implement them normally contain spatial objectives for the region concerned. Spatial co-ordination of measures, whether with a view to ensure mutual reinforcement or to avoid incompatibility, is neither required nor forms part of the procedures of appraisal, approval and practical implementation. The only requirement is for plans within a Member State or in the same geographical area to be consistent¹⁵. But, here again, spatial consistency is not required.

Through the **Cohesion Fund**, the Community provides funding for projects on the environment and trans-European transport networks. The Commission is responsible for ensuring co-ordination and consistency between these projects and other measures funded by the Community¹⁶. However, ensuring this co-ordination and consistency does not to any extent address spatial aspects, either on a large or small scale, falling outside the scope of the trans-European transport network.

This may lead to some conflicts. For example, in the environment domain, investments in water- and waste-related infrastructures have undoubtedly helped to improve environmental standards and improve quality of life. But in some areas, the priority attached to economic development objectives has not always been compatible with safeguarding ecosystems. This often results from the fact that, in most Member states, regional economic development plans (and in particular CSFs and Single Programming Documents) are prepared separately from spatial planning strategies.

European Social Fund's (ESF) interventions in support of employment and human resource development activities – in addition to the more horizontal measures in support of the European Employment Strategy programmed at a national or regional level – should be sensitive to local and regional needs and be programmed at regional or local level. Such interventions may help ensuring a more spatially balanced economic development – for example by supporting the adaptation of the work force in certain regions facing industrial decline and/or restructuring, thus containing depopulation. Since all jobs are created at a local level, regional and local authorities have an important role to play in ensuring supportive conditions and structures. They must, therefore, be encouraged to design and implement strategies for development and job creation. Partnership with those involved in the social economy and the local social partners is important in this respect

¹⁵ See Article 5(3) of Council Regulation (EEC) No 2082/93 amending Regulation (EEC) No 4253/88 laying down provisions for implementing Regulation (EEC) No 2052/88 as regards co-ordination of the activities of the different Structural Funds between themselves and with the operations of the European Investment Bank and the other existing financial instruments, OJ L 193, 31.7.93, p. 22.

¹⁶ See Article 8(2) of Council Regulation (EC) No 1164/94 establishing a Cohesion Fund, OJ L 130, 25.5.94, p. 5.

The Commission's draft ESF Regulation for 2000-2006 states that the Fund shall contribute to promoting local development, including Local Employment Initiatives (LEIs) and Territorial Employment Pacts¹⁷. In very schematic terms, this concept represents the crossroads between job creation, enterprise creation and local development. This integrated territorial approach to job creation is in line with the principles of the ESDP – in particular with its mission to promote economic and social cohesion and balanced competitiveness – and with its focus on a better integration of sectoral policies and of geographical levels of administration.

The majority of the provisions of the economic and social cohesion policy, although limited to eligible areas (at least for the regionalised policies) allow interventions of a very diversified nature which can consequently contribute to the implementation of numerous of the policy options of the ESDP. It is therefore difficult to carry out an exhaustive exam of the relation between these interventions and the policy options of the ESDP.

Some examples will help to show the diversity of these interventions. The ERDF's contributions to the development of economic activities can contribute to the policy options of the ESDP concerning the diversification and reinforcement of the economic base of towns and cities excessively dependent on one particular sector or of small towns in rural areas. Similarly, the contributions of the ERDF to the development of transport infrastructures can contribute to the policy options of the ESDP aimed at improving the connections between national / international networks, on the one hand and regional / local networks on the other.

BOX 9 – INTERREG II C

The Commission decided to add in 1995 a new strand to the INTERREG Community Initiative, namely INTERREG II C (Total budget 412.84 MECU - 1995 prices), concerning transnational co-operation on spatial planning. That decision was the recognition of the need for the Commission to get involved in a more operational way in the field of regional and spatial planning by developing (i) transnational co-operation in this domain, and (ii) integrated long term strategies for the development of the territory of the Community.

This Initiative concerns transnational co-operation on broad continuous geographical areas covering more than three States (being at least two of them Member States). The aims are to contribute to a more balanced development between different areas of the European Union; to foster transnational co-operation and partnership within a common framework and help Member States, their regions and other relevant actors to co-operate on a pro-active approach to common problems; and to contribute to improve the impact of Community policies on spatial development.

Three major fields of action are distinguished: (a) general transnational co-operation, (b) flood mitigation and (c) prevention of drought.

Yet, even if the provisions of economic and social cohesion allow numerous interactions with the policy options of the ESDP, progress could still be made, in particular through a better coherence between the methods of programming of the

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In its Communication of 14 October 1998 *Proposals for Guidelines for Member State Employment Policies 1999* [COM(98)574 final], the Commission made clear that promoting local development should also be a horizontal theme running through the European Employment Strategy. Member states should accordingly take account of this theme in the implementation of their National Action Plan for Employment in 1999 and in reporting on its implementation.

structural interventions and the policy options of the ESDP. Spatial planning has not found yet a structuring place within the Community Support Frameworks. The Community initiative INTERREG IIC dedicated to spatial planning certainly opens the way, because of its transnational approach, to an enlargement of the intervention scales, but its longer-term potential impact on the structural programming systems is not yet foreseeable.

4.8. Structural fishery policy

The objectives of the **structural policy “Fishery”** are directly linked to the double origin of the Financial Instrument for Fisheries Guidance (FIFG – established and integrated within the Structural Funds in 1994): common fishery policy and socio-economic cohesion. This involves on the one hand guaranteeing a sustainable balance between fishing efforts and fishery resources through the restructuring of the Community fleet, and on the other hand strengthening economic and social cohesion¹⁸ as well as the viability of the Areas Dependent on Fishery (ADFs) by modernising all the structures of the production chain and by accompanying socio-economic measures.

The integration of the FIFG within the Structural Funds and the addition of ADFs under Obj.1, 2, 5b and 6 marked a fundamental evolution from a sectoral policy into an integrated policy better suited for coastal zones. Indeed, the majority of ADFs can benefit from the interventions of the other Structural Funds, in particular the ESF and the ERDF, for socio-economic conversion measures (tourism, services to companies, professional upgrading etc.). The FIFG applies, moreover, to the entire territory of the European Union through the Obj.5a and measures covering mainly the restructuring and the modernisation of the sector. Globally, the FIFG represents today 31 programmes: 19 territorialised (17 Obj.1 and 2 Obj.2) and 12 horizontal (Obj.5a). In financial terms, 65% of the budget is territorialised and 35% is allocated through the Obj.5a.

BOX 10 – THE COMMUNITY INITIATIVE PESCA

Complementarity to the FIFG and with a view to reinforcing the move from a sectoral policy into an integrated policy, the Community initiative PESCA has been launched in 1994. PESCA – principally aimed at supporting ADFs located in regions eligible for Obj.1, 2 and 5b – is an example of an integrated territorial approach tackling all aspects linked to the restructuring of the fishery sector and its socio-economic consequences. In addition to reinforcing the sector, PESCA contribute to:

(1) Reconverting people and firms of ADFs towards new activities. In west and south-west Ireland, for example, many projects have contributed to the emergence of activities related to aquaculture;

(2) Diversifying the socio-economic structure of ADFs (often in co-operation with and with the contribution of the ERDF and the FIFG): restructuring of harbours towards multi-activity areas with a marine vocation (e.g. the integration of retail, research, leisure and communication activities in Bremenhaven), exploiting tourism-related activities in certain

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The FIFG effort for the reinforcement of socio-economic cohesion is evident in that the 4 cohesion countries receive 56% of the financial resources available. This effort should be increased in the future through assistance tailored to small coastal fishery, which is a particular feature of cohesion countries (Greece and Portugal in particular).

ports and fish markets (e.g. creation of the marine leisure park of Zeerbrugge), creating the European network of “maisons de la mer” with tourist, commercial or cultural objectives

These integrated actions, based on a bottom-up approach and a broad partnership, can contribute to maintain and even create jobs as well as to revive the socio-cultural heritage of coastal zones, thereby reducing risks of decline and depopulation of these areas. PESCA is complementary to the FIGF and to regional socio-economic measures.

The economic impact of fishing being concentrated on narrow coastal zones and its multiplier effect being high, a recession in this sector inevitably affects the activities located downstream; the sector has therefore a driving role for the economy and for maintaining the socio-economic fabric of ADFs, at the same time as it constitutes a fundamental element of the cultural heritage of numerous coastal communities.

In order to manage fishing resources, fishery and its products, it is necessary to consider the entirety of the coastal territory in a multisectoral approach by integrating the links and the necessary harmonisation between this sector and the other economic (industry, urban infrastructure, trade, tourism, services) and non-economic activities with a view to maintaining and creating permanent jobs and diversifying the socio-economic structure.

This diversification should apply to the entire production chain: upstream (shipyards, suppliers), fish product with high value added, aquaculture and processing industries. However the fishery processing industry is located today either near large fishing ports, or inside the land near consumer markets; an increasing dichotomy between small-scale inshore fishing and industrial development of the captures is emerging, the transformation chain no longer being systematically located on the coasts and no longer reinforcing automatically the activities of fishing.

The combination between primary and tertiary activities, can constitute a development factor if the limits of the carrying capacities of coastal areas are not overcome (environmental protection) and if local management of potential conflicts is ensured: numerous conflicts exist, for example, between nautical sports and aquaculture. In addition, a number of activities (e.g. sea front planning, mooring of boats, leisure navigation) may have negative effects on coastal fishery and fishing stocks either via a reduction of accessible sites and marine habitats (feeding, spawning and rearing grounds) or by a reduction in the quality of water and of the coastal environment¹⁹.

The major difficulty remains however that in numerous regions the opportunities of alternative employment out of the sector remain rare. Another important obstacle to the diversification of the sector is the low mobility of fishermen due primarily to the absence of technical qualification (early entry age in the activity of fishing).

The separated management of maritime and earth resources and the absence of integrated planning lead to conflicts between activities, prejudicial to the sustainable development of coastal areas. The need appears therefore for articulating and co-

¹⁹ Management and monitoring of coastal maritime ecosystems, information to the general public on the operation of fragile ecosystems, activities of ecological engineering (concession of marine spaces to the fishermen, path and eco-tourist route maintenance), information on leisure navigation constitute further job opportunities.

ordinating the various policies. Such a co-ordination – particularly important nowadays when fishery policy is affected by an increasing number of interests linked to consumers and environmental groups – calls for the strengthening of the links between the various territorial governance levels.

Some of the projects of the demonstration programme for the integrated management of coastal areas (jointly managed by DGXI, DGXIV and DGXVI) combine elements of a halieutic nature (fishing, integration fishery-tourism, and aquaculture). Though the contribution of fishing and aquaculture to local economies and their social impact are established, the difficulty is precisely to integrate their “vertical” policy (programmed at the national level) into the plan of integrated management of the coastal area, which has a horizontal nature. The demonstration programme offers an opportunity to test alternative methods of integrated coastal management in areas exposed to exceptional pressures as well as to clarify the institutional, legal and operational aspects linked to the territorial and policy integration of planning actions (see specific section in Chapter 3).

In the planning process – necessarily led in co-operation between the recipients and with local or regional authorities’ co-ordination – the European Union can have the double function of providing the overall framework to ensure the consistency of the actions, as well as the external impulse. This principle of articulation and of co-ordination of policies also applies at Community level. This requires the co-ordination of the most relevant policies for territorial planning by anchoring them in the territory. Issues related to the maritime dimension are addressed at the Community level by different DGs in a sectoral and fragmented manner (transport, environment, fishery, RTD, tourism, etc...). Among these various policies the structural fisheries policy needs, in particular, to be better articulated with:

- the other structural policies (with a socio-economic cohesion perspective): in this connection, the difficulties of articulation between national and regional logics have to be pointed out, the structural fisheries policy answering national sectoral programming logic (in particular the actions in the field of the adjustment of the fleet).
- the environmental policy (with a sustainable development perspective): an integrated management of the marine ecosystems requires a vision of the broader environment than the simple incorporation of “ecological” objectives into the management of the fisheries.

Owing to the very weak consideration in the ESDP of the maritime and coastal problems, of the terrestrial/maritime interfaces and of the maritime façade in ultra-peripheral areas, the correspondence between Community activities in the fishery sector and the policy options of the ESDP is reduced, in particular, to aspects related to the environment and the heritage.

4.9. Research and technological development policy

From a territorial perspective, the Community policy of research and technological development (RTD) needs to be examined from two different and complementary points of view:

- the RTD activities as a factor for economic development; and

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- the research themes connected with the problems of territorial development.

On the first point, the objectives of the RTD policy, as laid down in the Treaty, do not include any particular reference to territorial aspects. Organised around a multiannual Framework Programme (FP) – which is composed of various RTD and demonstration programmes – the RTD policy attempts to promote co-operation with and between companies, centres of research and universities. It also aims at co-operation with third countries and international organisations, diffusion and utilisation of RTD results and stimulation of training and mobility of the researchers of the Community.

It results from these objectives that the selection of the bodies, companies and research consortia to be supported financially is made independent from territorial criteria. In other terms, the **support to RTD activities** is open to all actors concerned throughout the Community territory. Consequently, it is the dynamism of these RTD operators, which conditions the geographical distribution of resources and the resulting knock-on effects on the economy. RTD operators being more numerous and generally more dynamic in the more developed regions, it is very probable that Community RTD policy has a stronger knock-on effect in these regions. It would be however hasty to conclude that Community RTD policy is not beneficial to the peripheral and less developed regions. The structure of the EU financed co-operative research is such that:

- among the tens of thousands consortia created and supported during the last fifteen years, a very significant number involved companies and laboratories of the less favoured regions (nearly a quarter of the links so created in 1997 were between LFRs and non LFRs), enabling them to take part in research at the international level;
- the stimulation of training and of mobility of researchers offers new possibility to RTD operators in LFRs; and
- the dissemination and valorisation of RTD results also constitutes a source of equilibrium for the Community territory.

Moreover, the contribution of Community RTD policy to better balance the competitiveness of the territory of the European Union and its role for economic and social cohesion and for sustainable development can be appreciated only on a sufficiently long time lapse.

BOX 11 – TOWARD A MORE BALANCED AND POLYCENTRIC URBAN SYSTEM OF CITIES AND A NEW URBAN-RURAL RELATIONSHIP

The Framework Programme has supported in the past several hundreds projects related to urban issues, and its fifth edition will focus particularly on it through the Key Action “The city of tomorrow and cultural heritage” with its four priorities on integrated approaches aiming at sustainable development of cities and rational management of resources, on the protection, conservation and enhancement of the European cultural heritage, on the built environment, and on sustainable transport systems in urban environment.

An example of RTD policy in this area is the project entitled “European urbanisation in the modern and contemporary period” (under the Human Capital and Mobility programme), which has focused on the role of the city and the urban system in European development and integration. A network of economic and urban historians, sociologists, economists and geographers has created a large data-base on European development, and participated through fellowships to the training of a number of young researchers including from less favoured regions of the European Community.

Furthermore, building on previous research in the field of rural development, the Vth Framework Programme foresees explicitly for the first time to explore the interrelationship between rural and urban areas through its Key Action "Sustainable agriculture, fisheries and forestry and integrated development of rural areas, including mountain areas".

For more information on Community RTD projects: <http://www.cordis.lu>

The search for balance in RTD and innovation capacities across the territory of the Union is indeed a condition sine qua non for any integrated territorial approach, in particular in the light of the "polycentric development" approach advocated by the ESDP. Indeed, this is possible only insofar as the capacities to access knowledge and innovation in the "decentralised centres" distributed throughout the territory, are similar. In this respect, as indicated by the Commission in a recent Communication²⁰, RTD and innovation policies have to be integrated within the productive fabric of the regions. Regional players have to identify and direct resources towards strategic regional priorities via the definition of an integrated RTD and innovation strategy based on partnership between local and regional bodies, Member States and the European Union.

BOX 12 – PARITY OF ACCESS TO INFRASTRUCTURE AND KNOWLEDGE

Research in the field of transport (263 MECU under the IVth FP) grants a very specific place to territorial aspects: the DANTE project attempts to identify possibilities and methods for reducing the need to travel in Europe; the START project is centred on the interdependence of the evolutions in land use and transport demand; the SASI project carried out simulation of regional accessibility in Europe by road and high-speed train under various hypotheses, with and without the TEN-Transport; the SCENARIOS and POSSUM projects work out baseline scenarios including projections of traffic and socio-economic data under various policy hypotheses; and the ECO project attempts to identify concrete economic solutions to the environmental problems which European seaports are facing.

In the field of Geographical Information (GI) systems, the REVIGIS project, launched in 1998, aims to improve present technology by handling better uncertainty in GI. GI will be addressed in the Vth FP as a horizontal issue within the User-friendly Information Society programme, aiming to create a European GI Infrastructure (EGII) to facilitate access to and use of GI at European level for a range of applications, including spatial planning.

The second aspect to be considered concerns the assessment of the **RTD themes** from the point of view of their potential contribution to spatial planning. Community RTD policy is also designed to support the development and implementation of various Community Policies making available to decision-makers at Community level pre-assessed and pre-validated results which can be consequently implemented, or at least form the basis for informed and conscious decisions. Earth observation, for example, is one of the important information source developed under the FPs, among various other issues related to the territorial management of resources – including sustainable regional development, urban systems, water management or transport as well as questions related to methods and procedures for a prospective spatial planning (see box 11 to 13). With this in mind, the Vth FP comprises an innovating component: the key-action concept intended to focus the research undertaken in the specific programmes on topics of interest with a

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See "Reinforcing cohesion and competitiveness through research, technological development and innovation" [COM (98) 275].

clear problem-solving approach. Some of these topics are of direct importance for spatial planning, i.e. “the city of tomorrow and the cultural heritage”, “the sustainable management of agriculture, fishing and forestry, including the integrated development of the rural areas”, “technology of inland and sea transports”, “global change, climate and biodiversity” or “sustainable management and quality of water”, “sustainable marine ecosystems” and “sustainable mobility and intermodality”.

BOX 13 – PRUDENT MANAGEMENT AND DEVELOPMENT OF THE NATURAL AND CULTURAL HERITAGE

The territorial organisation and the distribution of human activities have a considerable influence on the state of the environment, of natural resources and of the cultural heritage. Community research, in particular within the framework of the Environment and Climate Programme, contributed to improving knowledge of the relations between these elements, of the breadth and implications of the changes in land use, as well as on instruments and approaches likely to strengthen the contribution of spatial planning policies to sustainable development. For example:

- (1) An analysis of the influence of the subsidiarity principle in nature protection policy demonstrated that sustainable management of natural resources is strongly dependent of the quality and effectiveness of the relationships between the authorities at the various levels of competence;
- (2) Methods were developed to determine, at various geographical scales, areas with high risk of soil deterioration. In urban areas, instruments and methods were developed for implementing sustainable development in cities and regions: use of scenarios, techniques for public participation, and water and energy distribution network management;
- (3) The study of the recent development of semi-natural ecosystems made it possible to appreciate the influence of land-use changes on agricultural development and forest fire;
- (4) In order to develop sound management strategies of cultural resources, research addressed also the protection and conservation of cultural heritage through projects such as the development of a new expert system for evaluating damage on brick masonry monuments, or appropriate methodologies for preserving prehistoric caves paintings against mass tourism, environmental effects and land use.

Other key-actions can have an indirect effect on spatial planning. It is the case of “cleaner energy, including renewable energy”, “economic and effective energy for competitive Europe”, and “improvement of the socio-economic knowledge base”.

These RTD themes can contribute to detail some of the ESDP policy options, such as “*conservation and creative management of the urban cultural heritage*”, “*sound management of water resources*”, “*conservation and development of the natural heritage*” and “*better accessibility*” and “*more efficient and sustainable use of infrastructure*”.

4.10. Industrial competitiveness and enterprise policy

The **industrial policy** of the EU encourages innovation, flexibility, the distribution of information and of know-how and investments in knowledge, since these factors influence industrial competitiveness, which is in turn an important condition for employment creation and economic and social cohesion.

These objectives coincide with certain policy priorities of the ESDP, namely “*the diffusion of innovation and knowledge*”, through the “*improvement of the level of general educational and vocational skills as part of integrated development strategies*”, “*increasing access to information technologies*” and “*support to the*

improvements of links between higher education, applied R&D, innovation centres and industry”.

In the communication of 1994 – “*An industrial competitiveness policy for the European Union*” –, the Commission proposes four priority actions concerning the promotion of intangible investment, the development of industrial co-operation, the promotion of balanced competitiveness within the Single Market and at the international level, and the modernisation of the role of public authorities.

From a spatial planning perspective, the most important elements of such policy are:

- the modernisation of existing industrial structures;
- the support to the Single Market, as a key element of industrial competitiveness;
- the development of electronic commerce; and
- the contribution of industry to sustainable development

These priorities translate, in practice, in a series of initiatives (e.g. benchmarking, consultation among social partners, creation of industrial Task forces, awareness raising campaigns, European-wide dialogue among national authorities and industrial sectors’ representatives) which may have indirect territorial implications, for example, by influencing density and location of industries, support to industrial clusters and networking, processes of sectoral restructuring, modernisation of public administrations and development of high-tech industries.

The Community’s industrial policy is actively promoting sustainable industrial development as an important factor of industrial competitiveness. Indeed, following the Treaty of Amsterdam and the European Council Resolution in Cardiff, the industrial policy has to ensure that environmental aspects are effectively integrated in industrial processes. Thus, the promotion of eco-effectiveness and clean production strategies, the diffusion of better practices and the development of tools and of indicators to improve environmental performances and management, can contribute to sustainable regional planning.

BOX 14 – THE INDUSTRIAL TASK FORCES

The process of industrial restructuring may have important consequences in terms of diversification of urban or regional areas heavily dependent on a single industry. Industrial policy contributes to these processes by focusing on the horizontal measures aimed at improving the business environment. The territorial impact of these processes is largely linked to the specific nature of sectoral measures, which should in any case be limited in time and aimed at accelerating the sectoral adjustment. In certain cases, however, these adjustments take longer than necessary. A co-ordination role is therefore inevitable.

This is the case, for example, of the aeronautical sector, which is going through a difficult process of restructuring due to skyrocketing R&D costs and fierce competition. The process of restructuring is supported through a dialogue between the sector and the competent government agencies. The Task Force Aeronautics serve this dialogue by favouring the co-ordination of R&D efforts and accompanying structural adjustment in the sector.

The objective of the Community’s **enterprise policy** is to promote and develop conditions in which enterprises, and in particular SMEs, can realise their potential as a dynamic source of employment and growth in the European Union. Priority areas include the improvement of the business environment, the promotion of

entrepreneurship and the development of an enterprise culture and the improvement of firms' competitiveness.

SMEs can make important contributions to the achievement of all the three main objectives of the ESDP. Firstly, they contribute to economic and social cohesion, since they are a major source of economic growth and job creation and, moreover, are often a key factor in efforts to diversify regional economies or help them to specialise through clustering. Secondly, SMEs constitute an element of stability, as they tend to be more closely linked to the territory than bigger enterprises and hence show a lesser tendency to move their activities elsewhere in case the economic climate gets less favourable. Thirdly, they contribute to increase regional competitiveness because of their capacity to adapt quickly to changed market conditions or consumption patterns and to innovate.

Through its activities, enterprise policy contributes to improve the framework conditions within which enterprises operate and public authorities define regional development strategies and, consequently, carry out spatial planning. It influences the legislative and administrative context and/or political priorities but also other factors including the public's or public authorities' awareness of the potential represented by SMEs and of their needs. Moreover, enterprise policy is integrated into other Community policy such as structural policy or RTD policy, thus having a further indirect impact on spatial planning.

5. OTHER DOMAINS WITH AN EMERGING EUROPEAN SPATIAL DIMENSION

5.1. Culture

The integration of cultural aspects in the action of the European Commission is enshrined in Article 151 of the Treaty which stipulates that "*the Community shall take cultural aspects into account in its action under other provisions of this Treaty, in particular in order to respect and to promote the diversity of its cultures*".

A study carried out on the occasion of the "First Report on the integration of cultural aspects in the action of the European Community" [COM(96)160 final of 17.04.1996] outlined that a large majority of Community policies do comprise a cultural dimension or have an impact on the cultural domain. Many policies in effect interact with the cultural field and mobilise actors of the cultural sector.

The Report (currently under revision) showed therefore that the Community devotes important resources to cultural activities or related to culture. These actions, nevertheless, are seldom an element of a coherent policy, which would then answer the missions assigned to the Community in the cultural field, and do not have a clear Community dimension.

Certain aspects of the ESDP can constitute a common ground for confronting culture policy – as a factor for improving the quality of life – with the other European policies.

The examples of certain European regions provide evidence of how a harmonious territorial development which strengthens cultural elements can induce positive economic effects and can become a driving element for other regional realities not having yet exploited the cultural dimension. In these regions, the restoration of old

buildings (and not only “monuments”), the safeguard of traditional cultures and the systematic study of innovations compatible with the historical identity of the territory allowed the development of activities connected on the one hand to tourism and on the other to the safeguard of craft industry and farming practices with a view to maintain local, traditional products.

That said, interventions related to culture could positively interact with spatial planning. For example:

- developing those cultural roots which are common to the Europeans by safeguarding their territories and their traditional diversities;
- promoting networks between the practitioners in Member states, allowing them to develop constructive co-operation and reinforcing the public visibility of the Community action;
- defining priorities to ensure and increase the convergence of and complementarity between the Community initiatives in support of spatial planning with particular attention for the cultural landscape.

In conclusion, the questions addressed by ESDP, such as those related to several other Community policies, are closely connected to the cultural domain. Hence, it is important to reconcile the objectives specific to each policy with those of cultural policy, by integrating the latter upstream into the definition and the implementation of the Community policies concerned.

5.2. Tourism

The Community measures in favour of European tourism aim at:

- stimulating the quality and competitiveness of tourism in Europe in order to contribute to growth and employment;
- promoting tourists’ interest and sustainability in tourism; and
- contributing to a balanced development of the regions of the European Union.

In practice, the Commission activities in tourism policy play a role of catalyst by identifying and exchanging best practices as well as by developing concerted actions with Member states and innovative solutions, in particular in three fields close to territorial issues: (i) the integrated quality management of tourist destinations, (ii) sustainable development of European tourism, and alternative forms of tourism and (iii) the development of urban tourism.

Many other Community policies affect tourism or include activities in this sector. It is important that their measures are coherent between them. Despite progress in co-ordination and co-operation during recent years, further improvement can be envisaged, such as public-private partnerships and territorial co-ordination, at European, national, regional and local level.

The development of tourism has obvious territorial aspects. Tourism contributes to regional development, in both rural and urban areas. In certain regions of the European Union, many of them less favoured, tourism is the prime economic sector. Nevertheless, beside its opportunities for development, it also involves risks. If not properly managed, including good territorial management, it can harm regional and local conditions, such as living conditions of local populations, their social

structures and traditions, the environment (e.g. over-abstraction of water bodies for tourism water supply purposes or pollution of rivers, bathing water and drinking water resources by inadequate treatment of tourist generated waste water), and the natural and cultural heritage. Damage in these fields reduces regional attractiveness and neutralises, in the long term, the advantages of tourism for regional development.

With regard to the relation between Community support for tourism in Europe and the policy objectives and options of the ESDP, it is the Community policy for economic and social cohesion, and in particular for regional development, which provides the most important contribution to realising concrete projects for the development of tourism.

The policy options of the ESDP do not explicitly indicate tourism as a territorial development factor. Yet, tourism must be regarded as an implicit aspect of several policy options included in the ESDP, such as *“diversification of the economic base of towns and cities that area excessively dependent on one particular sector”*, *“reinforcement of the economy of small towns in rural areas where a solid urban development base is difficult to establish”* and *“support for the development of endogenous potential”* in rural areas facing decline or abandonment.

Tourism development activities could interfere with several policy options of the ESDP pertaining to better protection of the natural and cultural heritage such as *“appropriate management of environmentally sensitive areas or areas of high biodiversity and reduction of pressure from human activities in these areas”*, *“improvement of the balance between water supply and demand in areas prone to drought”* and *“development of strategies to control the pressures on the urban cultural heritage generated by tourism, real-estate speculation and infrastructure provision”*.

On the other hand, a number of policy options of the ESDP can contribute to the development of tourism. This is the case, in particular, in the field of infrastructure improvement, of promotion of a more balanced intercontinental accessibility, of improvement of the accessibility of areas lacking direct access to the major networks, and of improvement of the access to telecommunication services.

5.3. Distributive trade

Distributive trade, and especially retailing, is another sector with an important part to play in spatial planning. Although towns and cities contain industrial areas, transport facilities and residential accommodation, it is the shopping areas, which often provide the character of cities.

The survival of European city centres in their present form, as places where a wide variety of economic, cultural and social activities take place, cannot be taken for granted. Already, there has been a substantial flight of food shops from town centres. Internet trading, in turn, is likely to have a negative impact on certain types of shops. A similar situation exists as regards rural shops. Many have closed affecting rural communities and acting as a deterrent to small-scale inward investment.

To a certain extent, these changes in the location of retail shops are a reaction to consumer demand. However, the location of new shopping facilities is always

subject to approval by the public authorities and is sometimes accompanied by financial incentives. Moreover, the fact that new stores are not built in city centres may in part be due to the failure of public authorities to provide adequate road access and parking for people shopping in the city centre.

The Commission is carrying out a programme under the title “Commerce 2000” which aims at identifying means (other than capital grants and revenue subsidies) by which small shops in rural areas, islands and disadvantaged urban areas can be assisted to improve their competitiveness. Best practices identified will be disseminated so that other enterprises can make use of them. The Commission will examine how these best practices and indeed how full consideration of the role of shops in the life of cities, towns and villages can be fully taken into account in the application of Community policies and in the national and regional policies with which these Community policies are associated.

5.4. Education and training

Economic activity is becoming increasingly knowledge-based: jobs are shifting from low- to high-skilled workers and productivity and employment growth depend on the conditions for economy-wide diffusion of new products and processes. Even though aggregate productivity and employment growth remain modest in most countries, those regions that combine innovative capacity, organisational change and upskilling enjoy stronger economic performance.

Investments in education and training are increasingly recognised as preconditions for developing comparative advantages and ensure sustainable growth. The importance of education and training has been fully acknowledged in the context of the Employment strategy. Yet, it is recognised – also by the ESDP – that access to education and training varies widely throughout the territory of the Union.

The Community educational and training programmes Socrates, Leonardo da Vinci and Youth for Europe place great emphasis on transnationality, mobility and innovation in this area by developing best practices and multipliers. Critical importance is given to the diffusion across Member states of such practices and to the development of partnership between the relevant players (e.g. universities, industry, SMEs, social partners, providers and consumers of education and training).

The relation between education and training and spatial development remains largely unexplored. Therefore, the transnational and cross-border elements of the emerging education and training infrastructure could constitute matter for further consideration in the context of spatial development.

5.5. Sustainable management of coastal areas – an experimental approach

The previous references to territorial impacts through Community sectoral policies, underline the need for both enhanced horizontal integration across all relevant sectors as well as vertical integration involving interested partners at all institutional levels.

An recent example that tries to translate the Treaty principle of sustainable development into concrete action and to respond to the requirements of a new model of development is the Integrated Coastal Zone Management (ICZM) approach for

which a Demonstration Programme – jointly managed by the Commission's services (DG XI, XIV and XVI) – has been launched in 1996.

Due to increasing sectoral conflicts, changing demographics and the multitude of institutions and actors with a stake in coastal zones, these areas are home to some of Europe's most urgent problems.

ICZM uses the informed participation and co-operation of all interested and affected parties to assess the societal vision in a given coastal area at a given time, and to initiate the actions necessary to move towards this vision. ICZM seeks, over the long-term, to balance the benefits from economic development and the multiple human uses of the Coastal Zone, the benefits from protecting, preserving, and restoring Coastal Zones, the benefits from minimising loss of human life and property, and the benefits from public access to and enjoyment of the Coastal Zone, all within the limits set by natural dynamics and carrying capacity.

The "Integrated" in ICZM refers both to the integration of objectives and to the integration of the multiple instruments needed to meet these objectives. It means integration of policy from many sectors, and from all levels of administration which impact either the terrestrial or marine side of the target territory. It is integrated in both time and space, and is inherently multi-disciplinary.

DGs XI, XIV and XVI are presently running the E.U. Demonstration Programme on ICZM, designed to provide practical experience in implementing ICZM activities. The programme is based on 35 demonstration projects, selected to represent the diversity of conditions in Europe's coastal areas. The lessons arising in this Demonstration Programme will be used to animate a debate about a future European strategy for ICZM. If the concepts can be made to work in the "test-bed" of the coastal zones, there is a good chance that they can also work in other parts of Europe.

5.6. Sustainable urban development

The Commission indicated²¹ its intention to examine EU policies from the point of view of their urban impact and to improve policy integration at urban level.

Many EU policies have, de facto, an important urban relevance that the EU cannot ignore. The Community has a responsibility to ensure that Community policies become more effective by better taking into account the potential of urban areas and the challenges facing them. In its Framework for action²², the Commission has taken a step towards increasing the effectiveness of EU policies provided for by the Treaty by making them more "urban sensitive" and ensuring that they facilitate integrated urban development. The Framework for action aims at better co-ordinated and targeted Community action for urban problems and is organised under four interdependent policy aims: (1) strengthening economic prosperity and employment in towns and cities; (2) promoting equality, social inclusion and regeneration in urban areas, (3) protecting and improving the urban environment, including energy

²¹ See the Commission' Communication "Towards an Urban Agenda in the European Union".

²² "Sustainable urban development in the European Union: a framework for action", COM(98)605 final of 28/10/98.

and transport management: towards local and global sustainability and (4) contributing to good urban governance and local empowerment.

For each of these four aims the Commission proposes to improve know-how and encourage exchange of experience between all the actors involved.

In parallel, the Community is experimenting a series of innovative approaches to urban development, in particular in the context of the structural funds. The Community initiative URBAN followed the 60 urban pilot projects, which supported municipalities in identifying new approaches to revitalise urban distressed areas. URBAN was conceived to design coherent and integrated policy packages for these areas including measures for firms creation, training, upgrading of infrastructures, environmental protection, equal opportunity promotion and so forth.

Similarly, within the framework of the RECITE programme, an analysis is carrying out concerning the elaboration of strategic development plans for urban areas. Several R&D domains of the Framework Programme for RTD relate to urban questions (e.g.: information and communication networks, telematic application, the key action “the city of tomorrow and the cultural heritage”). Within the context of the COST programme “Génie Civil Urbain”, experts from diverse and complementary backgrounds are elaborating a project on the global integrated city. The Green Paper on the Urban Environment identifies the difficulties urban areas are facing with a view to provide concrete and appropriate orientations. Certain projects financed by the LIFE programme concern the urban environment. Finally, a series of pilot projects to protect the cultural heritage are selected each year on the basis of a specific theme which often is related to urban questions. More than 50 research projects are funded under the “Climate and Environment” programme.

According to the new regulations for Structural Funds, Community actions for urban development should become part of a co-ordinated, multisectoral policy in the new Obj.2 areas. Therefore, the debate on urban development is going through a decisive phase and it is possible to anticipate that in the forthcoming years, the intersectoral co-operation in favour of cities and towns at the Community level will gain in importance.
