1. Introduction

On 30 May 2016 the Urban Agenda for the EU will be adopted in Amsterdam. It will aim at improving horizontal coordination between EU sector policies and vertical coordination among European, national and local governments. Among others, the Urban Agenda for the EU will focus on integrated actions at EU-level, and multi-level cooperation and governance across administrative boundaries, inter-municipal cooperation and the impact on societal change (Grisel and Fermin 2015). It can therefore be seen as an approach to promote territorial governance and, thus, to strengthen the role of urban areas with regard to territorial cohesion and polycentric development in Europe.

Urban areas have always played an important role for territorial development in Europe. Over the last century the structure of the European territory has changed from a rural to a predominantly urban Continent (ESPON 2014b). The importance of cities is emphasised in several European policy documents, for example in the Territorial Agenda of the European Union 2020 (TA 2020 2011) and its background document, the Territorial State and Perspective of the European Union (TSPEU 2011). The Leipzig Charter (2007) highlighted the need for more integrated urban development policy approaches with the aim to strengthen coordination at local and regional levels (European Commission 2007). Examples from ERDF co-financed projects with an urban dimension show that cities can achieve big changes and have the ability to experiment, yet cities do not have the competences to solve all problems that are visible on the ground (European Commission 2013). In preparation for the EU Urban Agenda the European Commission published a Communication on the urban dimension of EU policies (European Commission 2014b). At intergovernmental level the ministerial meeting under the Latvian presidency adopted the Riga Declaration towards the EU Urban Agenda (Latvian Presidency of the Council of the European Union 2015). Recent research activities looking at future perspectives for territorial development in the European Union also confirm the importance of cities. Based on the vision of an open and polycentric Europe, the ESPON project ET2050 developed three exploratory scenarios. Calculations showed that the efficiency and quality of the future European territory lies in a network of cities of all sizes, with linkages from the local to the global level (ESPON 2014a).

Against the background of an increasing role of urban areas for future development this paper explores tools for cities to promote functional integration and support territorial cohesion. Section 2 briefly introduces the need for urban areas to address social, economic and environmental issues at different territorial levels. Based on this, three examples of what urban areas can do to promote functional integration are presented in Section 3. Finally, Section 4 provides some conclusions and recommendations on how to achieve better functional integration and how EU Cohesion Policy can contribute to this.
2. Functional integration of urban areas

The Fifth Report on Economic, Social and Territorial Cohesion underlines the relevance of functional geographies for territorial cohesion (European Commission 2010). Territorial cohesion focuses on polycentric and balanced territorial development. In contrast to policy approaches that focus on a single administrative level, territorial cohesion requires more functional and flexible approaches. To address an issue it is crucial to identify its specific geographical dimension, which can range from a macro region to metropolitan areas and cross-border regions or a group of rural areas and market towns. Flexible geographies can better capture the positive and negative externalities of concentration, improve linkages and connections between different regions and, this way, also facilitate cooperation. Hence, policy approaches that consider flexible geographies, are more effective in delivering territorial cohesion in the European Union (European Commission 2010). Although with the adoption of the Lisbon Treaty territorial cohesion became an overarching objective of the European Union and its policies, territorial development in the European Union is currently not in favour of territorial cohesion (Böhme, Holstein, and Toptsidou 2015).

Urban authorities have to take into consideration challenges and exogenous factors from different contexts and levels in order to adhere to territorial cohesion. Future territorial systems can differ largely depending on different levels of functional integration, as the two possible systems in the figure below illustrate. On the left side, cities solely focus on their global integration and their role as technological and economic engines. They remain mainly separated from their hinterland and only have limited integration potential. On the right side, Europe’s future territorial system is characterised by cities that are highly integrated on different scales with their surrounding regions and this way cover the entire European territory.

Global level: Essentially, cities function as nodes in transport and global financial systems, host research institutes and innovation networks and are places that attract global tourism (ESPON 2013).

European level: City networks and functional regions can be identified as ‘territorial keys’, i.e. examples illustrating which aspects of European territorial development are especially relevant in order to make policy interventions more efficient (Böhme et al. 2011). Although the EU has no formal competence in urban affairs, several initiatives at EU level have paid special attention to urban issues and increased the urban dimension in EU sector policies (Dühr, Colomb, and Nadin 2010). The 2014-2020 regulations for ESI funds include different tools that could support functional integration at urban level, such as Integrated Territorial Investment (ITI) and Community-Led Local Development (CLLD). However, the uptake is limited. Also, other formal procedures or consultations have a limited or merely indirect effect. Local authorities and city networks experience them as too formal, too limited and not transparent (Grisel and Fermin 2015).

Cross-border and transnational level: Already in the European Spatial Development Perspective, urban networking at cross-border and transnational level is described as a suitable approach to encourage partnerships and cooperation between urban regions and, this way, contribute to balanced development in Europe (European Commission 1999). Cooperative and integrated city networks can furthermore help to overcome development disadvantages in border areas (ibid.).

Regional and metropolitan level: The mismatch between the real city and political delineations is increasing, e.g. the outreach of universities or a city’s ecological footprint spread over a larger region. Within functional urban areas that overcome this mismatch, it is easier to establish the critical mass, avoid negative effects of competition and make strategic decisions (EUROCITIES 2011).
Urban level: Here, functional integration refers to integrated urban development. The increasing importance of integrated urban development is also reflected in EU Cohesion and Regional Policy 2014-2020. The earmarking of 5% ERDF funding (Regulation (EU) No 1301/2013), which must be allocated to integrated actions for sustainable urban development, is the latest example of this.

Neighbourhood level: Although urban authorities often aim to seek complementarities in, and develop synergies from, global urban networks, global cities and gateways are not entirely globalised. Only parts of them are embedded in international and global networks while other parts are integrated merely on a neighbourhood, local, regional or national scale, which leads to a complex, dense and heterogeneous urban system (Vöckler 2015).

> 3. Cities in multi-level governance

The concept of multi-level governance offers a framework to examine the possibilities to increase coordination among stakeholders in functional urban areas. Multi-level governance describes collective decision-making processes where authority and influence are shared between stakeholders operating at multiple levels of governance. In other words, it describes decision-making processes that engage various independent but interdependent stakeholders, in which initiatives addressing development needs can originate from the top-down or bottom-up (European Commission 2015). Large cities especially have the capacity and required resources to address challenges arising from different context and levels (Grisel and Fermin 2015). Different communication methods and specific techniques to reach agreement can facilitate multi-level governance and coordination processes. However, the extent to which stakeholders in different contexts can adopt these approaches differ. Among all available approaches the transferability of, especially the following techniques and methods are most promising and suitable for application in various contexts (European Commission 2015):

**Legal obligations**, such as contracts, can be used in top-down multi-level governance approaches ensuring consistency and clarity among the relevant stakeholders.

**Sound analysis and evidence** is important for addressing local needs and can provide a common ground for discussions. Needs analyses especially support the facilitation of multi-level governance processes for priority setting processes, actively engage relevant stakeholders and the possibility to include tacit knowledge from local communities.

**Shared visions, objectives and strategic plans** create ownership and guide, maintain or reinforce multi-level governance. Furthermore they are strong communication tools facilitating discussion and raising awareness.

In the following examples for the second (analysis and evidence) and third tool (visions, objectives and strategic plans) are presented.

> 3.1 Initiatives in the Metropolitan Region Hamburg

In the metropolitan region of Hamburg different approaches were developed to promote functional integration on different levels. In the following, two examples are presented, one aiming at cross-border and trans-national integration, the other one aiming at integration within the metropolitan region.

> Cross-border integration along the Jutland Corridor

Coordinated approaches in the field of cross-border development along the Jutland corridor can contribute to polycentric development in Europe. Functional integration here aims at both ensuring internal development and facilitating integration into the global economy. To support functional integration the region made use of shared visions and strategic plans (see Figure 2).

Already in 2011 and 2012, the metropolitan region took part in an initiative (‘Garden of the Metropolis’) that focused on re-thinking urban-rural relations in North East Germany and seeing rural and surrounding areas as an integral part of the territorial structure, instead of some kind of ‘space in-between' that is dominated by, and dependent on, metropolises. In the current initiative on the development of the Jutland Corridor, a similar idea has been extended to cross-border cooperation between Hamburg, Schleswig-Holstein and western Denmark: Medium-sized urban areas along the corridor shall function as connecting links between the metropolises but also develop better linkages with their respective hinterland (BSU Hamburg n.d.).

The implementation plan for the Jutland Corridor aims at identifying opportunities, objectives and tools for intensified cooperation. New approaches and proposals for specific projects for future cross-border cooperation
shall be developed. In the mid-term a ‘triangle of growth’ shall be put in place as a positive image of a new geography in this trans-national integration zone that combines different perspectives, bottom-up and top-down (BSU Hamburg n.d.).

Figure 2: Concept for functional integration along the Jutland corridor

Source: Knieling and Obersteg 2014, based on BSU Hamburg 2014

> Alternative spatial concepts – maps on the spatial structure (‘Raumstrukturkarte’)

Besides initiatives to be implemented through specific projects, discussing alternative spatial concepts can also be considered a valuable means to obtain new perspectives on an area and stimulate the discussion on how to promote functional integration from a more theoretical but also creative perspective.

The ‘Raumstrukturkarte’ illustrates territorial development trends in thematic maps that go beyond administrative boundaries and cover the entire metropolitan region. In 2010 - ten years after the joint Regional Development Strategy (‘Regionales Entwicklungskonzept’, REK) was adopted for the metropolitan region - the responsible public players agreed to set up such a tool. In 2013, a first draft was presented that included the status quo and development trends in different fields such as commuting and transport, demography and employment, land consumption and nature protection. Figure 3 below, for example, allows users to analyse population development in the metropolitan region and to compare it with existing rail infrastructure. Such an analysis could be useful to define the focus of future settlement development and urban land-use planning. However, additional information on train stations and existing bus lines would be needed for a thorough analysis of public transport.

Figure 3: Population development 2000-2010 in the Metropolitan Region of Hamburg

* Population decline in yellow-red; population growth in green; rail tracks in black

Source: Metropolregion Hamburg 2012

For the future it is envisaged to broaden the scope and improve the evidence base and, based on this, to develop and publish a strategic perspective for the region (map on opportunities, ‘Chancenkarte’) (Metropolregion Hamburg n.d.). As different themes and aspects can be combined, such an interactive tool allows the user to think more creatively about regional opportunities and develop new images with regard to perspectives for territorial development. The next step would be to create a creative thinking space and offer the opportunity to develop and discuss alternative spatial concepts. It is of course necessary to involve not only the usual suspects but also creative people, thinkers and the broader public and open the community of spatial planners for them and their ideas.

> 3.2 The example of the Urban Game in Stockholm

Different municipalities surrounding Stockholm saw a need to jointly address social exclusion in deprived areas with the regional level serving as important platform for improving or facilitating. From an institutional perspective, the regional level in Sweden is traditionally weak. However, it took the initiative to implement the ‘increasing regional cohesion’ strategy, for which the Urban Game was developed. In order to encourage
discussion and raise awareness about the interdependencies of developments and decisions in various sectors and at various levels of governance the Urban Game was designed. The Urban Game helps visualise how different measures implemented at different governance levels and sectors relate to each other, for both vertical and horizontal coordination. Figure 4 provides an example of the urban game in which urban authorities can play an important coordination role.

The Urban Game as a tool addresses the lack of functional coordination mechanisms. Playing the game gives participants a broader understanding of how measures taken in different sectors on different governance levels affect others. The game is used in several development processes to ensure that actors from different sectors and governance levels are aware of the need for new functional coordination mechanisms. The game opens up discussions in an informal setting and establishes a neutral environment where different governance levels and sectors can be brought together.

As for the future, the Urban Game can be tested and applied in other cities and regions in Europe. The tool has increased awareness in the Stockholm region for cooperation supporting functional integration and has been assessed as suitable for transfer (European Commission 2015).

**Figure 4: Structure of the Urban Game**

![Figure 4: Structure of the Urban Game](source: European Commission 2014)
> 4. How to continue – pointers for EU Cohesion Policy 2020+

The described examples present possible approaches to promote functional integration contributing to territorial cohesion on different levels. As cities have the capacity and required resources to address issues and use tools, it is important to empower them and put them in the driver’s seat for developing and implementing more approaches that aim for better functional integration and go beyond administrative boundaries. Already in the current EU programming period, some seeds can be identified that are supposed to strengthen the territorial and urban dimensions, respectively. However the uptake of some mechanisms seems to be rather limited. This paper therefore argues to facilitate functional integration with the help of evidence and sound analyses, used to define needs arising from multiple levels, and the development of shared visions and strategic plans. These seeds need to be nurtured and further developed, e.g., by considering the following pointers for future EU Cohesion Policy 2020+:

Need for functional and integrated approaches: Challenges increasingly overlap and need to be addressed on different levels. Future-oriented governance arrangements and approaches need to adjust to new contexts, go beyond administrative borders and address, inter alia, urban-rural linkages from an integrated perspective. In theory, Integrated Territorial Investment (ITI) is a good tool developed at EU level which can be used for territorial approaches that focus on such relations and regional development. EU institutions could however provide more practical guidance on how to apply this tool, promote the use of ITI, further improve it and/or develop additional tools that allow for similar approaches focusing on cross-sector development within a functional area.

Need for flexibility and experimentation: As new challenges emerge and overlap with existing and other emerging challenges, future development becomes increasingly unpredictable. Policy initiatives, programmes, and governance approaches need to be flexible and allow governance players to adjust the approaches to changing contexts. Increasing uncertainty also implies a need to test new arrangements. An environment needs to be created in which ‘trial and error’ is perceived as an approach that promotes innovation and creativity.

Need for bottom-up and top-down: The functional and integrated approaches described above arise mainly bottom-up and are driven by urban authorities. Higher levels need to establish framework conditions (funding, legislation, expertise, networks, infrastructure etc.) that empower cities and allow them to develop and implement strategies. The Urban Agenda for the EU could initiate a discussion process to define what is needed for an integrated framework in the future.

Need for a new generation of regional and cohesion policies: Because regional and cohesion policies as cross-sector policies allow for integrated approaches, one should use them in order to decrease the mismatch between urban (and regional) realities and administrative boundaries. EU Cohesion Policy, however, focuses on administrative units and mainly ignores functional areas. This does not only apply to EU Cohesion Policy but also to other national and/or regional structural policies in the EU.
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