

## MEETING OF CHAIRPERSONS OF COMMITTEES ON EMPLOYMENT, RESEARCH AND INNOVATION

### Session III – Cities as drivers of innovation

#### Concept note

Cities have long been the locus of the highest concentration of energy, activity and resources, driving the evolutionary processes that would produce the greatest changes. For the same reasons, cities represent complex systems, the governance of which becomes more difficult as their size increases owing to high congestion risks.

According to the Commission Communication [COM\(2014\)490](#), entitled “The urban dimension of EU policies – key features of an EU urban agenda”, Europe is the most highly urbanized area in the world: some 359 million people, equal to 72% of the total EU population, live in metropolitan areas, generating more than two thirds of European GDP, consuming 75% of total energy, producing 80% of CO<sub>2</sub> emissions and 75% of waste. The share of the urban population continues to rise, and is likely to reach more than 80% by 2050.

At the same time, the size of European cities, with the exception of the urban agglomerations of Paris and London, cannot be compared with that of the most populous and extensive cities on other continents. This should represent an advantage for Europe, given that smaller size makes for easier governance of the complex systems that urban areas are.

European cities have not lost their attractiveness and they are still perceived as places that offer the greatest opportunities for development, as engines of innovation and growth. Nevertheless, in order to ensure harmonious and sustainable development, cities must possess appropriate infrastructure to ensure that resources are used efficiently.

European policies for smart cities, smart transport, the green economy, resource management and waste treatment are geared to foster the creation of urban environments that are equipped and organized to improve the quality of life of urban residents without undermining cities’ role as a driver of the economy and development.

The scant attention paid to urban issues in European policymaking can be attributed to the lack of an explicit legal basis, given that the Treaties make no direct reference to cities or the issues involved in urban life. The various initiatives undertaken in this arena, from the Urban programme to the Structural

Funds, have addressed the issue from the perspective of sustainable development.

In 2011, the European Parliament adopted a [resolution](#) asking for the strengthening of the urban dimension in EU policies, urging the establishment of a joint working programme or a European Urban Agenda.

With Communication [COM\(2014\)490](#) of July 2014 on the urban dimension, the European Commission initiated a public consultation on the future of the European Urban Agenda, which concluded on 26 September this year. The preliminary findings of the consultation were discussed in Rome on 1 October 2014 at a conference organized by the Italian Presidency of the European Council.

It is estimated that over the course of the 2014-2020 financial framework, at least 50% of the European Regional Development Fund (ERDF), for a total of €80-90 billion, will be invested in urban areas through general operational programmes, while 5% of national ERDF allocations has been earmarked for sustainable integrated urban development to ensure that it is a priority for all Member States. The creation of a network of contacts and exchange among cities continues to be promoted by the next generation [URBACT](#) programme.

A growing number of EU sectorial policies are focused specifically on urban areas – energy, information society, environment, education and culture, transport, climate action and support initiatives such as the European capital of culture, smart cities and communities – while many other EU initiatives and directives address urban issues indirectly.

In the light of the foregoing, the issues to be assessed are:

- a) whether the creation of an urban agenda as envisaged by the European Commission would be sufficient to address the diverse issues concerning the governance of urban areas from an innovative perspective, with a view to preserving and leveraging the driving role they can play within the European Union;
- b) whether the initiatives undertaken in Europe are sufficient to ensure that cities can achieve sustainable urban development and smart, inclusive and environmentally compatible growth; more specifically, whether those initiatives are incorporated within a complete and comprehensive strategy or instead are flawed by inconsistencies and contradictions;
- c) whether overall European resources can be considered sufficient for the purpose. In particular, consideration should be given to other channels and financial instruments that could be used to increase the amount of funding available;
- d) what best practices should be adopted in projects for smart cities, mobility, urban renewal and waste management.