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Committee of the Regions**

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**« Sustainable and Inclusive Capital Cities »
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Ladies and Gentlemen,

First of all I would like to thank the organisers for their kind invitation and for all the work done in preparing this interesting conference on sustainable urban development.

Today's discussions will revolve around the theme "sustainable and inclusive capital cities" with an emphasis on integrated urban development and urban regeneration. In this regard, I would like to recall here that the political work of the CoR has always paid attention to urban policies; throughout its opinions the CoR has continuously stressed the challenges and difficulties encountered by cities in implementing urban development policies.

I will use this opportunity to give you a short overview of the CoR work in this field but I would also like to share with you today some reflections on urbanisation trends and the environmental and social dimensions of a sustainable city, with a special focus on the fight against climate change.

The urban phenomenon has played a key role in developing and spreading European cultures, even to the point that the very concept of a "city" is an integral part of our identity across the continent, from north to south, and from east to west. Our European societies have experienced similar changes, with accelerated urban concentration during the 19th Century, which is still underway, especially in Central and Eastern European countries where the rural exodus continues.

On the other hand, cities are the source of the problems facing sustainable development and, at the same time, a large part of the solution. Some 70 to 75% of our fellow citizens live in cities, and 80% of our GDP is generated in EU cities. Why the attraction? Because cities have major advantages for people and businesses, not only as economic powerhouses and centres of exchange and trade but also as vectors for individual freedoms, centres of creativity, research and excellence. Thus cities concentrate the best as well as the worst of our development model. They generate risks - recognised or latent – of social fracture (discrimination, exclusion, pauperisation and delinquency), not to mention environmental problems, which aggravate climate change and diminish our citizen's quality of life (congestion, longer travel times, health problems such as

respiratory conditions caused by air pollution ...). One figure that speaks for itself: cities contribute 70% of EU greenhouse gases emissions.

Thus, 21st Century European cities are faced with the same challenges, which we are well aware of, and which have to be taken into consideration at the outset of our discussions on urban policy if we truly want to make our cities environmentally, economically and also socially sustainable. To quote the new Urban Charter of the Council of Europe: "*cities are the ideal setting for a HISTORIC compromise between the economy, society and the environment*"¹. If we consider that cities are an asset that future generations will inherit, then it is important that sustainable development is not just an argument for "territorial marketing".

So what are the challenges to be met?

- The first is **demographic change**: ageing, migration and depopulation have a clear impact on urban development. According to the European Commission's last Urban Audit, some cities are "contracting", especially in Central Europe, where this phenomenon accelerated between 2001 and 2004.
- Another major challenge is the aggravation of **social inequality**, especially in some city areas. Inequalities between neighbourhoods are the outcome of socio-spatial ghettoisation, which is sometimes due to inappropriate housing policies, service provision that is restricted to the city centre and does not reach deprived suburbs. There again, the new territorial cohesion objective included in the Lisbon Treaty should spur us to take these disparities into account in all urban sectoral policies, within the framework of integrated urban policies (but I will come back to this). A sustainable city must be based on urban solidarity, actively combating exclusion and discrimination by strengthening solidarity between neighbourhoods, socio-occupational categories, and people of different backgrounds. Urban solidarity is a reflection of our ambition to build an inclusive and more cohesive and diversified European society.
- The third major challenge, of course, is **climate change**. As I have already mentioned, cities are responsible for 70% of greenhouse gas emissions. Cities therefore have a major role to play in ensuring that our planet remains inhabitable in the long term; they are also the place where changes in habits could make a massive impact. So it is only with its cities and local decision-makers that the European Union will be able to honour its commitments. The Leipzig Charter's ambitions for sustainable cities call for us to reduce our cities' carbon footprint, conserve our resources and biodiversity, economise on energy and promote access to key public services ... In this context, I would like to recall the Covenant of Mayors with more than 150 European cities pledging to exceed the well-known three "20% targets"², an EU minimum legal requirement for climate change to be met by 2020. But I will also come back to this later.

¹ European Urban Charter II - Manifesto for a new urbanity, adopted by the Council of Europe in May 2008.

² A 20% increase in energy efficiency by 2020; a 20% reduction in greenhouse gas emissions by 2020; and 20% of energy consumption to be met by renewable energy sources by 2020 (8,5% at present).

With regard to the demographic aspect, European cities have suffered in the last few decades from the increase in residential mobility. **Urban sprawl** has brought about an increase in spatial segregation. Confronted with the challenge of sustainable development, the cities need to find their way back to a functional diversity that contributes to more integrated cities.

The CoR has repeatedly acknowledged that this is one of the major challenges facing our cities, which are losing population to the metropolitan areas. No territorial or spatial planning policy can be effective without having carefully examined the long-term **demographic trends** of cities and regions. At the same time, regional initiatives must be backed up by coherent policy approaches in the Member States concerned³.

In this regard, **governance issues** must be given appropriate consideration, as well as the need for an integrated approach (better partnership between all levels of governments on a pertinent territorial scale, metropolis or city regions, for example) in order to share a consensus on priorities between neighbouring cities, and to avoid overlapping in public infrastructure or projects. Therefore, one of the keys to success lies in improving urban governance in order to ensure an integrated approach to public policies and better coordination and cooperation between the different levels of government across territories that go beyond the strict boundaries of the city.

Urban development should be understood as an urban/suburban/outlying district policy. Indeed, just as outlying districts benefit from city services, the city also greatly relies on its outskirts for other needs that it cannot adequately meet for itself, such as leisure activities or water supply. It therefore stands to reason that cities need to build partnerships with their outlying districts and that cohesive administrative structures have to be put in place (inter-municipality and conurbations...), extending beyond the strict boundaries of the city in order to avoid, for example, unhealthy competition for resources. Better territorial and regional cooperation could prevent polarisation between urban and rural areas and encourage the utmost use of synergies.

As already mentioned, another big issue related to the concept of "sustainable city" is **climate change**. Let me tell you that the CoR strongly believes that a sustainable city is also a city that fights against climate change. Regions, like towns and cities, are key players in the field of energy having responsibilities in numerous activities which deal with planning, investment, procurement, production and consumption. Transport and housing, which are planned for and provided by local and regional authorities, are both areas where significant CO₂ reductions and energy savings can be achieved⁴.

The **Covenant of Mayors**, launched by the European Commission and strongly supported by the CoR, consists of a formal commitment by adhering cities to go beyond the EU's goals to reduce CO₂ emissions through energy efficiency and renewable energy actions. The CoR welcomes with satisfaction this initiative that recognises the

³ Opinion of the CoR on the 4th Progress Report on Economic and Social Cohesion (CdR/97/2007 fin),

⁴ Opinion of the CoR on "how regions contribute to achieving European climate change and energy goals, with a special focus on the Covenant of mayors" (CdR 241/2008 fin)

important role of local authorities in promoting sustainable energy solutions and in the fight against climate change. We also think that the "Covenant of Mayors" is an excellent opportunity for Mayors to engage citizens in collective and positive action to combat climate change and will enable the European Union to demonstrate true leadership in this sphere.

The CoR fully supports the objectives of the Covenant and the scope of its activities, including reducing energy demand and consumption, developing a sustainable and secure energy supply through the promotion of renewable energy sources and improving the energy efficiency of products. By promoting sustainable energy and energy efficiency, the Covenant of Mayors can also spur on the cities to implement changes to protect their most vulnerable citizens, particularly those on low and fixed incomes, from the effect of high energy prices and from suffering fuel poverty.

On a different note, I also firmly believe that the **environmental and social dimensions** of the concept of "sustainable city" have to be put on an equal footing, because for me one goes hand in hand with the other.

When the CoR tackled the issue of "Cohesion policy and cities"⁵, it touched upon a number of issues that are directly linked to these dimensions. The CoR has notably proposed, for example, that an environmental requirement should be introduced to the Structural Funds programmes, in order to better implement energy saving measures in cities, e.g. in transport services and innovative energy use in buildings. I am happy to see that some of these proposals have found their way into the recent changes introduced in the Structural Funds regulations by the European Commission.

With climate change an increasing concern for government, energy efficient design of homes, providing affordable warmth, and thus tackling fuel poverty, are all important in the design of future housing. However, tackling poor insulation in older properties is also vital and can both provide employment and ensure energy conservation. When putting in place housing infrastructure planners need to consider environmentally sustainable options from the beginning. Avoiding waste in energy is essential for the EU to meet its climate change objectives. This question should be taken into account when undertaking urban renewal processes and housing interventions. In this respect and in the context of the energy package, the CoR has issued an opinion on the recast of the Directive on the Energy Performance of Buildings with the aim of reducing energy requirements in urban areas⁶.

Concerning the **social pillar**, housing is a very important element: working towards safer, cleaner, greener areas of our cities and regions where people are able to develop their lives and interactions is crucial. Housing is definitely not only about bricks and mortar, but concerns the areas and communities where we live in a more comprehensive way. Housing issues are also about access to employment, transport and services and creating a high-quality environment.

⁵ Opinion of the CoR on "Cohesion policy and cities" (CdR 38/2006 fin)

⁶ Opinion of the CoR on "The Energy Performance of Buildings and the Second Strategic Energy Review" (CdR 8/2009 fin)

The forthcoming Spanish Presidency of the EU will make "**integrated urban regeneration**" one of its priorities in the field of urban development. Urban regeneration and sustainability are also at the forefront of the agenda of numerous local and regional authorities in the EU, which seek to achieve sustainable growth together with modern infrastructure, high levels of business attractiveness and a clean and healthy environment. It is envisaged that the CoR will contribute actively to the work of the Spanish Presidency in this field.

In conclusion, cities are where many problems related to environmental protection, climate change and sustainable development are concentrated. The causes of the problems include changes in lifestyle and in demography, but even more commonly, inappropriate development models for cities.

With relation to this, we should remember that in addition to the strong guidelines set out in the Leipzig Charter, the EU levers include cohesion policy, which, thanks to its budget, constitutes an important management instrument for spatial development in general, and urban development in particular. The allocation of structural funds should tend more towards territorial objectives such as the promotion of urban structures liable to strengthen intra-urban territorial cohesion, mainly by improving solidarity between neighbourhoods, and therefore, ultimately, balanced urban development. Different city models could, and indeed, should be used to achieve this. Policy makers should reflect on the most suitable solutions for their areas.

There is no one single model and each city should base its urban development policy choices on its specific morphology. Be that as it may, it is not a matter of identifying the model or benchmark for the ideal city, but of "rethinking" existing models and accommodating the need for different approaches to urban planning and concepts, in order to make them more sustainable.

Finally, let me thank the organisers once again for the kind invitation to this meeting and excellent organisation. I am sure that the discussions on the crucial issues that will be addressed here today will allow everybody to take home new knowledge and ideas on sustainable urban development. I am looking forward to the discussions.

Thank you for your attention.