



**The 17<sup>th</sup> session of the Council of Europe Conference of Ministers responsible  
for Spatial Planning (CEMAT),**

**Bucharest, 3 November 2017**

**RESOLUTION No.1**

**FUNCTIONAL AREAS - CAPITALISATION OF LOCAL POTENTIAL IN  
TERRITORIAL DEVELOPMENT POLICIES OVER THE EUROPEAN CONTINENT**

WE, THE MINISTERS responsible for Spatial Planning of the Member States of the Council of Europe, meeting in Bucharest, Romania, for the 17<sup>th</sup> session of our Council of Europe Conference,

RECALLING the territorial classification set up in the specific objectives of the European Regional/ Spatial Planning Charter (Torremolinos Charter, 1983) and understanding the need to adapt spatial planning measures to the particular features of these territories.

HAVING REGARD TO the Guiding Principles for Sustainable Spatial Development of the European Continent, agreed upon at the European Conference of Ministers responsible for Regional Planning (CEMAT, 2000, Hannover),

TAKING INTO CONSIDERATION the provisions of the Ljubljana Declaration on "The territorial dimension of sustainable development" (CEMAT, 2003) highlighting the importance of polycentric development as a policy direction to be enhanced in order to adequately address the challenges of sustainable spatial development of the European continent,

CONSIDERING the provisions of the CEMAT Resolutions on the polycentric development of the European continent (CEMAT, 2006, Lisbon),

BEARING IN MIND the provisions of the Moscow Declaration on "Future challenges: sustainable territorial development of the European continent in a changing world" (CEMAT, 2010), marking the 40th anniversary of CEMAT,

HIGHLIGHTING the importance of steering territorial development policies to capitalise on the territorial assets, as well as to strengthen territories by promoting cooperation and exchanges,

POINTING OUT that the diversity of territories on the European continent fosters an important potential for development,

HAVING REGARD TO the Resolution N.2 on the Contribution of CEMAT to the Achievement of the Goals of the Council of Europe (CEMAT, Napflion, 2014), listing possible themes of future work,

ACKNOWLEDGING the need to provide a comprehensive governance solution to areas which are economically and socially integrated,

GRATEFULLY ACKNOWLEDGING the opportunity offered by this 17<sup>th</sup> session, held at the invitation of our Romanian host, to discuss the importance of functional areas as tools for capitalisation of local potential through territorial development policies,

**AGREE ON THE FOLLOWING:**

**1. We are convinced of the importance to promote measures aiming at supporting sustainable spatial development and capitalising on local potential by identifying and structuring different categories of territories such as most functional areas and call upon other relevant actors to promote such measures as well.**

Socio-economic development trends do not take into account the administrative boundaries of territorial units. Economic and demographic mass and densities are among the important factors that foster economic development in functional areas, by attracting investors and labour force. Also, local resources/assets are reflected in the specificities of economic activities. Therefore, in order to be effective, social and economic development policies must take the territorial dimension into consideration, and create synergic effects with spatial development policies.

Europe continues to face a number of important socio-economic challenges, such as demographic ageing and decline, lack of accessibility to certain areas, in the fields of effective transport and affordable housing, due to congestion of rapid urban concentration processes, in other areas, risks associated with climate change, challenges related to energy supply security, loss of biodiversity and declining natural and cultural heritage resources. These challenges can be addressed either at pan-European level through knowledge exchanges on spatial planning policies and instruments that have proved effective in some Member States, or by identifying areas with common characteristics and problems that have the potential to act as functional areas and can be targeted by the same integrated policies and interventions.

At the same time, the territory of the European continent is characterised by a great diversity, making it possible to identify and delineate areas with geographical specificities (mountain areas, island countries, islands, coastal areas, river basins etc.), overlapping areas that are defined on the basis of socio-economic or other criteria. Areas delimited by geographic criteria may experience difficulties in accessibility, isolation, low population density, overcrowding and political, cultural or economic barriers. At the same time, these areas have a natural potential that requires protection and conservation, as well as policies aiming at sustainable use and capitalising on the endogenous potential.

Also, the interdependencies between urban and rural development processes, the economic specialisation trends and the integration of labour and economic markets into functional areas beyond administrative borders require appropriate management tools.

Sustainable spatial development and capitalisation on local potential can be supported by fostering cooperation, partnership and relationships among different territorial levels and categories, in a process that transcends administrative boundaries and encourages exchanges leading to territorial cohesion, improved living conditions and the promotion of competitiveness.

**2. We acknowledge the existence of a great diversity of functional areas, to be addressed simultaneously by territorial development policies and planning processes.**

The issue of functional areas, either considered as areas around urban centres in which systemic relations are developed, or as categories of areas defined according to their geographic characteristics and economic activities, is a subject frequently debated in public policies. Functional areas should be regarded as tools to formulate policies which can facilitate functional relationships among territories, transcending administrative boundaries fostering co-operation at local, regional and macro-regional level and able to support a balanced polycentric development.

Although there is no unanimously accepted definition of the concept of functional areas, there is a consensus that this concept is covering all the debate around the links, interactions and common characteristics, advantages, interests and challenges which enable a specific area to function as a whole.

At a general level, a functional area is a cohesive territory that operates politically and/or socially and/or economically as a whole or as a system. Therefore, a functional area is defined by a structure of interactions that occurs in several territorial administrative units (cities, towns, communes, etc.) that work together and are linked e.g. by transportation, communications, economic activities or natural conditions, as well as through common challenges and features.

Relationships between settlements that are part of an urban area can be inherently determined by managing the labour force demand and supply, providing rural areas with services of general interest in case these are lacking, conducting joint activities, capitalising on natural and cultural elements or developing and implementing common strategies at regional, national, cross-border or transnational level, including cooperation in areas of common interest. The concept should be analysed in relation to the current trends concerning cooperation, decentralisation, territorial management and socio-economic development, synergies created through multi-level governance and in accordance with the principle of subsidiarity.

At European level, there is a variety of functional areas. These can be structured according to the concerned territorial levels. One category is constituted by transnational cooperation or cooperation in macro-regions (including regions from different countries as well as entire national territories, geographically circumscribed areas which in turn convey a certain structure of economic activities). Other categories include regional or local level cooperation areas, functional urban areas (the areas of influence encompassing cities), functional rural areas, cross-border areas (involving a limited number of neighbouring regions from at least two countries with adjacent boundaries), areas sharing specific geographical, natural and/or cultural features as well as clusters (geographic concentrations of interconnected institutions and companies in a particular field).

Several categories of functional areas can coexist in the same territory, meeting multiple needs in different fields at the same time. Therefore, the planning process should follow a holistic perspective, taking into account all the multi-functional relationships in a given cohesive territory.

### **3. We acknowledge the role of functional areas as a tool to encourage sustainable spatial development.**

By addressing functional areas within territorial development policies, a series of prerequisites for the protection, capitalisation and promotion of local resources and specificities are created, contributing to social, economic and territorial cohesion, hence to the improvement of living conditions for all persons regardless of their residence environment. Nevertheless, functional areas imply a new model of territorial governance and development of tools that contribute to ensuring collective welfare and respecting the interest of society and the individual rights of citizens.

Governance of functional areas can help in breaking down over-complexity in the globalizing world, and allow citizens and the civil society to better take responsibility for their living environment in a democratic way.

Also, the sustainable use of the local potential - human, natural or cultural resources - and any other specificities regarding functional areas, contributes to increasing territorial competitiveness.

Capitalising on the potential of geographically defined territories by integrating them into functional areas can operate as a tool for meeting socio-economic challenges in order to generate competitiveness at regional, national, European or global level.

Defining and establishing functional areas can support sustainable spatial development of all Member States of the Council of Europe through different means: by using tools available for planning and territorial development, by defining new governance solutions based on cooperation (such as models of association between administrative entities, for developing and implementing policies, providing services, ensuring the management of funds), by developing financial programs which can support a good infrastructure for the mobility of people and of information, by defining protection areas for the heritage and local resources or by offering opportunities for territorial marketing.

### **4. We propose that in the process of spatial planning and spatial development, the following priorities which can be considered in order to develop and capitalise on functional areas:**

#### ***A. Identifying and defining functional areas***

Organically, or as a result of certain interventions (in particular with regards to the infrastructure), a series of potentially functional areas is established at territorial level. They should be areas with certain common geographic or socio-economic characteristics. Cohesive areas are usually based on territorial elements - urban and rural settlements or natural conditions which influence the social and economic specificities of these areas. An efficient use of resources in these territories needs a series of interventions regarding

formal or informal management, aiming to ensure the coordination between development directions and investments. The delineation of potentially functional areas could rely on the relationships and flows at the territorial level as well as on elements of regional and local identity, landscape characteristics and natural and cultural values. The principle of spatial contiguity is another criterion in the process of defining a functional area, although the perimeters for this can greatly vary. The management should then be established taking into account their territorial coverage.

In the context of globalisation, the quick dynamics of territorial development should be taken into consideration, because significant changes could occur in the flows and phenomena that lead to the establishment of functional relationships and areas. Consequently, functional, as well as potentially functional areas, once defined and operating as such, in whatever form of governance, could be periodically evaluated in order to record any changes of their boundaries and/or functional relationships.

#### *B. Identifying and using endogenous potential*

In the current process of globalisation, local specificities ensure the identity of communities, but at the same time, they represent means of attracting economic activities. In order to identify a functional area, natural, cultural, economic and human resources should be mapped and capitalised on in a sustainable manner at territorial level, especially if they are unique or scarce resources. Economic and social policies should be related to the territorial dimension of these areas tied up with spatial development policies and designed according to the necessities of each particular territory.

#### *C. Providing support for the development of functional areas*

Providing good infrastructure and services which can ensure a good mobility of people, of goods and of information is one of the conditions to transform a cohesive area into a functional area. Functional areas can capitalize on the economic growth in large cities and their metropolitan areas, as well as the attractiveness of major urban areas, which manifest their dynamic role and stimulate development in their territory of influence. Also around small and medium-sized towns, functional areas can be developed *inter alia* through providing services and infrastructure of general interest to rural areas and creating economies of scale.

Examining the various situations of European functional areas according to the criteria and goals of their establishment as well as the development of a database of good practices would contribute to a better understanding of the topic and the transfer of knowledge and experience.

In order to strengthen functional areas, there is a need to develop spatial planning tools that may be accompanied by funding instruments, with the purpose of ensuring the operationalisation of territorial development objectives. Investments need to rely both on territorial development strategies and on quantifying the territorial impact of proposed interventions in order to ensure sustainable growth.

Promoting partnerships and integrated urban and territorial development, directing available funding towards those specific areas, in key policy fields are possible measures for structuring functional areas.

#### *D. Ensuring Territorial Governance based on cooperation and democratic principles*

In order to manage different types of functional areas and to ensure the contribution of relevant actors at local, regional, national and European level, it is necessary to respect the principle of subsidiarity and to identify multi-level governance arrangements. This implies cooperation and coordination between decision-makers at different levels and through sectoral policies. The territorial governance model needs to be adapted to ensure respect for the guiding principles of sustainable development policy and to guarantee citizens' access to public services. Governance of functional areas can be organised in a formal manner (with a structure set out according to technical and/or political criteria), or an informal approach could be considered by ensuring coordination of the activities of public authorities that are included in the functional area, based on protocols or procedures initiated with this purpose and agreed among important stakeholders. However, each choice involves political will, accountability and available financial resources dedicated to the common goals.

In order to secure effective resource management in functional areas, it is essential to inform and involve population and civil society in decision-making and implementation, timely, effectively embedded in the rule of law and with the aim to create broad ownership.

**5. We are convinced of the importance to promote the approach related to functional areas and territorial cooperation at local, cross-border, regional, national and trans-national level as a tool for spatial development, according to our means and competences and we call upon all relevant actors to also promote this approach.**