

Research Article

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# The Relationship Between Urban Public Policy and the Design of European Union Institutions: Implications, Tensions, Lessons Learned and the Question of Sovereignty

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### Abstract

*This research examines the interplay between urban public policy and the design of European Union institutions, focusing on the necessity for a cohesive framework to enhance urban governance. It identifies key challenges such as climate change, social inequality, and economic competitiveness, proposing a Composite Urban Governance Index to assess governance capacities across metropolitan regions. The primary aim is to develop a comprehensive framework for metropolitan governance that aligns with EU objectives, strengthens institutional capacities, and promotes sustainable urban development. The research addresses themes such as the effectiveness of governance systems in urban areas, the involvement of stakeholders in urban policy formulation, and the need to address environmental challenges in metropolitan regions. It also emphasizes the importance of integrating various policy areas for coherent governance and developing metrics for assessing governance capacities across regions. The findings reveal significant gaps between policy formulation and implementation, highlighting the need for improved coordination. The Composite Urban Governance Index effectively measures governance capacity and social inclusion, while participatory mechanisms enhance policy legitimacy. Overall, a structured metropolitan governance framework is essential for addressing urban challenges in the EU. By fostering collaboration and utilizing evidence-based practices, the proposed framework can lead to more inclusive and effective urban development strategies.*

**Keywords:** Metropolitan Governance, Sustainability, Inclusion, Innovation, Evidence-Based Governance, Capacity Building, Participatory Decision-Making, Stakeholder Engagement

### 1. Introduction

The relationship between urban public policy and the institutional design of the European Union (EU) represents one of the most important governance challenges of contemporary Europe. European cities have become the main arenas where major transformations take place: climate change adaptation, migration, digital transition, social inequality, housing pressures, economic competitiveness, and cultural change. Yet, despite their growing importance, cities do not occupy a direct constitutional position within the EU system. Urban policy remains primarily a competence of Member States and their regional and local authorities, while the EU influences urban development indirectly through funding instruments, regulatory frameworks, and strategic initiatives.

This creates a complex relationship: the EU increasingly shapes the conditions under which cities operate, but it does not formally govern them. The result is a system of shared influence without direct authority, where European institutions, national governments, metropolitan authorities, and local actors continuously negotiate responsibilities, resources, and legitimacy.

The central question is therefore not whether the EU should control cities, but rather how European institutions can support metropolitan transformation without undermining national sovereignty and local democratic authority.

As European cities become increasingly organised through networks such as Eurocities, while work on metropolitan

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governance, standards and territorial development continues through the OECD and the European Union, the EU's approach to urban policy is evolving towards a more integrated and strategic framework. At its core, the emerging EU Agenda for Cities seeks to unlock the full potential of urban areas in delivering European and national priorities, recognising that cities are not simply recipients of EU policy but essential partners in designing, implementing and achieving it.

The Agenda aims to establish a more integrated and coordinated approach to EU policies affecting urban areas, strengthening the urban dimension of European policymaking and contributing to territorial cohesion and the reduction of socio-economic disparities. It places greater emphasis on involving urban authorities directly in the design and implementation of EU policies, ensuring that legislation, investment programmes and implementation mechanisms better reflect the realities and capacities of cities and metropolitan areas. This approach is supported through thematic partnerships and participatory initiatives addressing strategic challenges such as Greening Cities and Building Decarbonisation.

A central feature of this approach is the creation of a continuous dialogue between the European Commission and urban authorities. Regular high-level political and technical exchanges with cities can provide a stronger mechanism for identifying emerging urban challenges, testing policy approaches and ensuring that European initiatives are responsive to local and metropolitan realities. This dialogue also has the potential to strengthen the connection between strategic EU priorities and their practical implementation on the ground.

The Agenda places particular emphasis on simplifying access to European support and strengthening the capacity of cities to engage with EU policies and funding. The proposed EU Cities Platform and web portal would provide a single-entry point for information on European policies, funding opportunities, initiatives and technical support relevant to urban authorities. Such a mechanism could reduce fragmentation, improve accessibility and enable cities—particularly those with more limited administrative capacity—to engage more effectively with European opportunities. Investment is another important pillar. The evolving framework seeks to mobilise and better coordinate a range of European financial instruments, including cohesion policy, the EU Facility, the European Competitiveness Fund, Horizon Europe and Global Europe, in support of urban projects and strategic investments. This is particularly important as cities face the need to finance major transitions in areas such as housing, energy, mobility, infrastructure, climate adaptation, digitalisation and economic transformation.

The framework also creates new opportunities for innovation and evidence-based policymaking, including the 2026 call for European Urban Initiative – Innovative Actions and the development of a regular State of European Cities report. These initiatives can help strengthen the evidence base for urban policy, identify innovative approaches that can be replicated across Europe and provide a

clearer understanding of how European policies are affecting different types of cities and metropolitan areas.

The importance of this urban dimension is underlined by the fact that approximately 75% of the EU population lives in urban areas. Cities are therefore central to the achievement of virtually all major European priorities, from competitiveness and the green and digital transitions to social inclusion, territorial cohesion and demographic resilience. At the same time, urban areas are at the forefront of increasingly complex and interconnected challenges, including the shortage of affordable housing, rising energy costs, social segregation, climate impacts, demographic change, pressure on infrastructure and the need to maintain high-quality public services.

The Urban Agenda for the EU (UAEU) remains the key operational framework for multilevel cooperation between the European Commission, Member States, cities and other stakeholders. Through its thematic partnerships, the UAEU brings together different levels of governance to identify barriers, develop practical solutions and improve the design and implementation of European policies and funding instruments affecting urban areas.

The EU Agenda for Cities, by contrast, represents a broader strategic and policy framework for strengthening the urban dimension of European policymaking. It seeks to modernise urban governance, improve coordination across EU policies, strengthen the role of cities in policymaking and implementation, simplify access to European support and expand opportunities for investment and innovation.

The two frameworks should therefore be understood as complementary and mutually reinforcing. The Urban Agenda for the EU provides an established mechanism for practical, thematic and multilevel cooperation, while the EU Agenda for Cities provides a wider strategic direction for embedding urban considerations across European policymaking. Together, they can help move towards a more coherent European urban policy approach, in which cities and metropolitan areas are recognised as strategic partners in delivering EU objectives rather than simply as places where European policies are implemented.

Ultimately, the ambition is to create a stronger and more coherent urban dimension within the European project: one that enables cities to contribute more effectively to EU priorities, gives urban authorities a meaningful role in shaping the policies that affect them, improves access to knowledge and finance, and supports cities in becoming more competitive, inclusive, resilient, climate-neutral and sustainable.

The governance set-up should ultimately be assessed against its own stated objectives, the means available to deliver them, and the wider objectives and values of EU policy. On these terms, the emerging framework represents a significant step towards strengthening the urban dimension of European policymaking, but its effectiveness will depend on whether the institutional arrangements, coordination mechanisms, financial instruments

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and opportunities for city participation are sufficiently aligned with its ambitions. It is widely recognised that urban governance can be further strengthened, particularly by improving coordination across levels of government, clarifying responsibilities, reducing fragmentation and giving cities and metropolitan authorities a more meaningful role in policy design and implementation.

Against its stated objectives, the key test is therefore not simply whether new platforms, partnerships or dialogue mechanisms are established, but whether they generate better policy coherence, more effective implementation and measurable improvements for urban areas. The means available must also be considered: political dialogue and partnership structures can improve coordination and knowledge exchange, but they have limited impact if they are not connected to decision-making, regulatory processes and adequate financial resources. Similarly, a single information platform may simplify access to EU opportunities, but simplification will remain incomplete if funding instruments, eligibility requirements and administrative procedures continue to be fragmented.

The framework should also be assessed against the wider objectives and values of the European Union, including territorial cohesion, social and economic inclusion, sustainability, competitiveness, subsidiarity, democratic participation and solidarity. From this perspective, strengthening the role of cities is not an end in itself. Its value lies in whether a stronger urban dimension enables EU policies to respond more effectively to territorial differences, reduce socio-economic disparities, support the green and digital transitions, and ensure that European objectives are translated into effective action at local and metropolitan level.

The motive may be more prestigious. While EU urban policy increasingly promotes integrated, place-based, and participatory governance through initiatives such as the Urban Agenda for the EU and the New Leipzig Charter, there is limited empirical evidence on how these frameworks are implemented across different types of cities and whether they produce measurable improvements in urban sustainability, social inclusion, and territorial cohesion.

Even more concerning, Member States, despite having retrenched and reduced public funding, have increasingly resisted the implementation measures required to translate EU-level urban, climate and social policy objectives into concrete action at the national and local levels. This creates a significant implementation gap between ambitious EU policy frameworks and the financial, institutional and regulatory commitments necessary to deliver them in practice.

In urban studies, the main gaps can be understood across theoretical, research, empirical, knowledge and methodological dimensions, and these gaps can be connected to the major urban theorists who have shaped the field. Theoretical gaps concern limitations in how cities and urban change are conceptualised. While Simmel, Weber and Wirth established important foundations for understanding metropolitan life, urban society and the social consequences of density and diversity, contemporary cities require approaches

that better integrate economic growth, inequality, governance, technology, climate change and well-being. Jane Jacobs highlighted the importance of diversity, mixed uses and everyday street life, while Henri Lefebvre and David Harvey showed how urban space is socially produced and shaped by power, capital and inequality; however, there remains a need to connect these perspectives more systematically with contemporary well-being and sustainability frameworks.

Research gaps concern questions that remain insufficiently investigated. There is still limited research on how frameworks such as the UN SDGs, OECD well-being indicators, EU urban policies, EIU Liveability Index and Mori Memorial Foundation's GPCI actually influence urban decision-making. This creates an important connection with Manuel Castells, Saskia Sassen and Peter Hall, whose work examines networks, global cities and metropolitan systems, but whose theoretical insights could be further connected to contemporary policy indicators and implementation. More research is therefore needed to establish whether international rankings and indicators genuinely influence municipal priorities, investment decisions and neighbourhood-level interventions.

Empirical gaps concern the availability and quality of evidence. Although cities increasingly collect data on economic performance, infrastructure and competitiveness, there is often weaker evidence on subjective well-being, informal economies, displacement, social exclusion, accessibility and inequalities within neighbourhoods. This is particularly relevant to Edward Glaeser's work on urban economics and agglomeration, because aggregate economic success does not necessarily mean that benefits are distributed equally across the urban population. Similarly, Edward Soja's concept of spatial justice highlights the importance of understanding how opportunities and disadvantages are geographically distributed within cities.

Knowledge gaps concern what we still do not sufficiently understand about the interaction between different dimensions of urban performance. Cities may simultaneously be economically competitive, highly liveable and deeply unequal, creating tensions between the perspectives of Glaeser, Jacobs, Harvey, Florida and Soja. There is therefore a need for greater understanding of how competitiveness, innovation, liveability, sustainability and social inclusion can be pursued together rather than treated as separate objectives. A further question is whether improvements in city-level rankings actually translate into better everyday experiences for residents.

Methodological gaps concern how urban performance is measured and studied. Much contemporary urban research relies heavily on indicators, rankings and cross-sectional comparisons, which can simplify complex urban realities. This creates a methodological tension between the quantitative benchmarking approaches represented by the OECD, EIU and Mori GPCI and the more qualitative, spatial and social approaches associated with Jacobs, Lefebvre, Harvey and Soja. Stronger research therefore requires

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mixed methods, combining statistical and spatial analysis with longitudinal research, interviews, participatory approaches and residents' experiences.

A central gap across all five dimensions is therefore the connection between measurement, theory and implementation. Urban theorists provide different explanations of how cities function, while contemporary international organisations and urban indexes provide increasingly sophisticated ways of measuring urban performance. However, there remains insufficient evidence showing how these measurements are translated into concrete policies, how those policies are implemented at municipal and neighbourhood levels, and whether they produce equitable improvements in people's lives. This creates an opportunity for urban research to connect the theoretical insights of the urban luminaries with contemporary data-driven governance, linking urban economics, spatial justice, liveability, sustainability, competitiveness and human well-being within a more integrated framework.

And so, we have a problem of conceptual clarity in the EU, one on policy guidelines and concerns about institutional delivery.

The proposed EU Center of Excellence in Metropolitan Governance aims to strengthen cooperation between metropolitan areas and European institutions through several key strategies:

**Development of governance frameworks:** The Center will create comprehensive governance frameworks that facilitate collaboration between metropolitan authorities and EU institutions. This will ensure that local governance aligns with EU policies and objectives. **Knowledge transfer and capacity building:** By providing training and support to metropolitan authorities, the Center will enhance their capabilities to design and implement effective policies. This knowledge transfer will foster a culture of innovation and best practices across regions.

**Participatory decision-making:** The Center will engage civil society, stakeholders, and researchers in the decision-making process. This inclusive approach will ensure that diverse perspectives are considered, leading to more effective and legitimate urban policies. **Collaboration interfaces:** The Center will establish platforms that connect Member States, metropolitan authorities, and civil society. These platforms will facilitate continuous dialogue, knowledge exchange, and joint implementation initiatives, ensuring alignment between European strategies and local actions. **Integrated monitoring and evaluation:** By utilizing the European Urban Governance Index, the Center will monitor metropolitan performance and evaluate the impact of EU policies. This will provide a solid evidence base for decision-making and resource allocation, enhancing cooperation and accountability. Through these strategies, the EU Center of Excellence in Metropolitan Governance aims to create a cohesive and integrated approach to urban governance, ultimately strengthening the relationship between metropolitan areas and European institutions.

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## **2. Europe as a City Based Civilization: Lessons Learned**

### **2.1. Maritime Urban Civilizations: A Historical Tradition of City-Based Societies**

Among the many forms of human civilization that have emerged throughout history, one of the most distinctive is the maritime urban civilization: a social order in which the city, rather than the kingdom, tribe, or territorial state, constitutes the primary unit of political organization, economic activity, and cultural identity. These civilizations were not merely urbanized societies possessing important cities. Rather, they were societies whose fundamental logic was urban and maritime. Their wealth derived principally from commerce rather than agriculture; their elites were merchants, shipowners, financiers, and administrators rather than landed aristocrats; and their horizons were oriented toward the sea, whose routes connected them to distant markets, cultures, and sources of wealth.

Although separated by geography and chronology, a succession of such civilizations can be discerned across more than four millennia of history. From the ports of ancient Mesopotamia to the merchant republics of Renaissance Italy, they formed a recurring civilizational pattern characterized by dense urbanism, commercial dynamism, cosmopolitan culture, and extensive maritime networks. Together they constitute a distinct historical tradition that stands in contrast to the agrarian territorial empires that have often dominated historical narratives.

### **2.2. The Mesopotamian Origins of Urban Commercial Civilization**

The earliest foundations of this tradition emerged in southern Mesopotamia during the fourth and third millennia BCE. Cities such as Uruk, Ur, Eridu, and Lagash are frequently celebrated as among the world's first urban settlements, but their significance extends beyond mere chronology. They represented a novel form of social organization in which political authority, religious institutions, economic production, and cultural life were concentrated within autonomous urban centers.

Although Mesopotamia is often imagined as a riverine civilization rather than a maritime one, the cities of southern Sumer were intimately connected to the Persian Gulf. Archaeological and textual evidence reveals extensive commercial relations with Dilmun (modern Bahrain), Magan (Oman), and the Indus Valley. Timber, metals, precious stones, and luxury goods traversed maritime routes linking Mesopotamia to regions far beyond the limits of its agricultural hinterland.

The Sumerian city-state established several characteristics that would reappear repeatedly in later maritime urban civilizations: political autonomy centered upon the city; economic specialization sustained through long-distance trade; and the emergence of merchant groups whose prosperity depended upon international exchange. Although the agricultural base remained indispensable, the city's prosperity increasingly rested upon its capacity to participate in broader commercial networks.

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### 2.3. Phoenicia and the Emergence of the Maritime City-State

The first civilization that can properly be described as fully maritime was that of the Phoenicians. Between approximately 1200 and 300 BCE, the Levantine cities of Tyre, Sidon, Byblos, and Arwad developed a social and economic order whose existence depended fundamentally upon seaborne commerce.

Unlike Egypt, Assyria, or Babylon, Phoenicia never evolved into a centralized territorial empire. Political life remained fragmented among autonomous city-states, each governed by its own institutions and commercial elites. Their comparative scarcity of agricultural land encouraged maritime expansion and commercial innovation. Phoenician merchants established trading posts and colonies throughout the Mediterranean basin, creating one of the first truly interconnected maritime systems in world history.

The sea was not merely an avenue of transportation but the principal medium through which Phoenician civilization existed. Economic wealth, political influence, and cultural exchange flowed through maritime networks extending from the Levant to North Africa, Iberia, Sicily, Sardinia, and beyond. In many respects, the Phoenicians created the archetype of the maritime city civilization: commercially oriented, politically decentralized, outward-looking, and deeply cosmopolitan.

### 2.4. Rome as a Maritime Urban Empire

Rome is frequently classified as a territorial empire, and indeed it eventually governed an immense continental domain. Yet this characterization obscures the extent to which Roman civilization was fundamentally maritime.

The Roman Empire was, in many respects, a vast network of cities organized around the Mediterranean Sea. The Romans themselves referred to the Mediterranean as *Mare Nostrum*—"Our Sea"—a phrase that reveals the degree to which maritime integration lay at the center of imperial life.

The empire's prosperity depended on an extraordinary urban system stretching from Britain to Egypt and from Hispania to Syria. Cities such as Rome, Alexandria, Antioch, Carthage, Ephesus, and Constantinople functioned as nodes within a single commercial and administrative network. Grain from Egypt fed Rome; luxury goods arrived from India through Red Sea ports; merchants, officials, and scholars moved continuously between urban centers.

Unlike later continental empires, Rome's infrastructure was not merely terrestrial. Maritime transport carried the overwhelming majority of long-distance trade because sea routes were far cheaper and more efficient than land routes. The Mediterranean functioned as a unifying highway linking hundreds of cities into a single economic system.

Rome therefore represents a hybrid form: a territorial empire whose cohesion and prosperity rested fundamentally upon maritime urbanism. It transformed the Mediterranean from a region containing cities into a civilization composed of cities.

### 2.5. The Islamic Maritime Ecumene

The rise of Islam after the seventh century created the largest maritime-commercial civilization the world had yet seen.

Although Islamic history is often narrated through dynasties and empires, the civilization's vitality resided above all in its cities. From Córdoba and Alexandria in the west to Basra, Hormuz, Calicut, Malacca, and Canton in the east, Muslim merchants participated in a vast urban network spanning much of Afro-Eurasia.

The Islamic world possessed several advantages that favored maritime urban civilization. Islamic law facilitated commercial transactions across great distances. Merchants enjoyed social prestige rarely found in many agrarian aristocracies. A shared religious and legal framework reduced transaction costs across thousands of miles of trade routes.

The result was an integrated commercial zone extending across the Mediterranean, Red Sea, Persian Gulf, Arabian Sea, Bay of Bengal, and South China Sea. Cities rather than empires formed the true connective tissue of this civilization. Political dynasties rose and fell, but the commercial network linking Islamic ports endured for centuries.

No previous civilization had integrated so many urban centers across such a vast maritime space.

#### The Swahili Coast and the Indian Ocean World

The Indian Ocean produced a distinctive maritime civilization that differed significantly from the Mediterranean tradition.

Along the East African coast, the Swahili city-states developed as autonomous urban centers connected to Arabia, Persia, India, and Southeast Asia. Cities such as Kilwa, Mombasa, Zanzibar, and Malindi accumulated wealth through commerce rather than territorial expansion. These cities were cosmopolitan societies in which African, Arab, Persian, and Indian influences merged. Their ruling elites derived legitimacy from trade, religious patronage, and urban prosperity rather than military conquest of extensive hinterlands.

The Swahili coast demonstrates that maritime urban civilization was not exclusively Mediterranean but constituted a recurring pattern wherever long-distance sea trade became the dominant source of wealth.

### 2.6. Maritime Civilizations of East and Southeast Asia

A comprehensive account must also include East Asia, where several major maritime urban systems emerged.

#### Song China

Among Chinese dynasties, the Song period (960–1279) stands out as exceptionally maritime and urban. Cities such as Hangzhou, Quanzhou, Guangzhou, and Ningbo became some of the largest commercial centers in the world.

Quanzhou in particular may have been the busiest port on Earth during the thirteenth century. Merchants from Arabia, India, Southeast Asia, and East Africa converged there, creating a cosmopolitan urban environment comparable to Alexandria or Venice.

Although Song China remained a territorial state, its economic dynamism increasingly derived from maritime commerce and urban markets rather than purely agrarian production. Some historians regard Song China as the world's first genuinely commercial economy.



Figure 1: Ni Hao, Ma

This is a Chinese jade carving in the form of a Chinese cabbage (白菜, báicài), probably carved from a two-tone/translucent stone such as jadeite. The image strongly evokes the Qing-dynasty tradition of carving auspicious plants and insects in jade, although I would not identify the exact object or provenance from the photograph alone.

The cabbage is highly symbolic in Chinese culture. 白菜 is associated with wealth, abundance and prosperity, partly because the sound of *bái cài* can evoke associations with *bǎi cái* (百财), literally “a hundred fortunes/wealths.” The vegetable also has associations with purity and an abundant household.

The carving makes particularly sophisticated use of the natural colour variations in the stone. The pale, almost translucent body becomes the stalk and leaves, while the darker green material is exploited for the leafy top. This is characteristic of Chinese jade carving: rather than treating imperfections and colour variation as defects, the craftsman incorporates them into the subject. The stone effectively determines the sculpture.

The insects at the top are also important. In Chinese decorative art, insects such as grasshoppers, locusts and crickets can carry auspicious meanings connected with fertility, abundance, vitality and the continuation of the family line. Their presence transforms the cabbage from a simple botanical study into a composition about life, prosperity and fecundity.

The elaborate wooden stand is part of the meaning and presentation. It elevates the cabbage as a precious object rather than treating it simply as a naturalistic sculpture. The contrast between the organic jade form and the dark, highly carved wooden base also creates a typical Chinese decorative-art dialogue between nature and craftsmanship.

What is especially interesting is the apparent illusionism. At first glance, it looks almost like an actual cabbage placed on a stand. On closer inspection, the leaves, insects, veins and stems reveal an extraordinary amount of carving. This reflects an important aesthetic in Chinese art: the ideal is not simply to reproduce nature, but to make the material itself appear to transform naturally into the subject.

So, at a symbolic level, I would read the object as:

**jade + cabbage + insects + elaborate stand = material wealth + abundance + fertility + longevity/prosperity + refined craftsmanship.**

It is therefore much more than a decorative vegetable: it is essentially an auspicious object expressing the wish for an abundant and prosperous life.

### 2.6.1. Srivijaya

The maritime kingdom of Srivijaya (c. 650–1377) was centered in present-day Indonesia and controlled critical chokepoints linking the Indian Ocean and South China Sea.

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Unlike land empires, Srivijaya's power rested on ports, shipping, and commercial intermediaries. It functioned less as a territorial state than as a network of maritime cities controlling strategic trade routes.

### **2.6.2. Majapahit and the Malay World**

Subsequent Southeast Asian polities similarly relied on maritime trade. The ports of Java, Sumatra, and the Malay Peninsula formed a dense commercial network connecting China, India, and the Islamic world.

### **2.6.3. Malacca**

Among all Southeast Asian ports, Malacca stands as perhaps the purest example of a maritime city civilization. By the fifteenth century it had become one of the world's greatest commercial centers, attracting merchants from across Asia.

Its prosperity derived almost entirely from its strategic position astride the Strait of Malacca, one of the most important maritime passages in human history.

### **2.6.4. Venice, Genoa, and the Merchant Republics**

The Italian maritime republics represented the culmination of the medieval Mediterranean urban tradition.

Venice was effectively a city-state transformed into a maritime empire. Its political institutions served commercial interests; its wealth derived from shipping and finance; its influence depended upon naval power and strategic control of trade routes.

Genoa performed a similar role in the western Mediterranean, while Ragusa developed sophisticated commercial institutions despite its small size.

These cities preserved and extended the maritime urban traditions of antiquity into the early modern era.

### **2.6.5. The Dutch Republic and the Birth of Modern Maritime Capitalism**

The Dutch Republic marks a decisive turning point in the history of maritime urban civilization.

Unlike traditional territorial monarchies, the republic was dominated by commercial cities such as Amsterdam, Rotterdam, Leiden, and Delft. Political influence was concentrated among merchant oligarchies whose fortunes depended upon international trade.

Amsterdam became the financial center of Europe. Dutch merchants connected the Baltic, Atlantic, Mediterranean, African, and Asian worlds through an unprecedented commercial network. The Dutch transformed maritime urban civilization from a regional

phenomenon into a genuinely global system.

### **2.6.6. The Anglo-Saxon Maritime World**

The ultimate successor to this tradition emerged in the English-speaking world.

Beginning in the seventeenth century, England increasingly evolved into a maritime-commercial civilization centered on ports such as London, Bristol, Liverpool, Glasgow, and later New York, Boston, Philadelphia, and other Atlantic cities.

Unlike continental European powers, Britain's strength derived fundamentally from naval supremacy, maritime commerce, financial institutions, and overseas trade networks. London became the largest commercial city in the world and eventually the center of a global economic system.

The British Empire was territorial in extent, but its organizing principle remained maritime. Sea lanes rather than land frontiers connected its components. The empire's principal institutions—its navy, merchant marine, banks, insurance markets, and trading companies—were products of maritime urban civilization.

Following the twentieth century, leadership of this system passed largely to the United States. New York, Boston, San Francisco, Los Angeles, Singapore, Hong Kong, and other global port-metropolises became key nodes within an increasingly integrated world economy.

### **2.7. Lessons Learned**

Viewed over the *longue durée*, a remarkable continuity becomes visible. A single civilizational tradition extends from Phoenician ports through Greek city-states, Roman Mediterranean urbanism, the Islamic maritime *ecumene*, the Swahili coast, Song China, Southeast Asian trading states, the Italian republics, the Dutch commercial cities, and the Anglo-American Atlantic world.

Each represented a society in which cities were the primary engines of wealth, commerce was the principal source of power, and maritime networks provided the infrastructure of civilization itself. While agrarian empires repeatedly dominated continental interiors, maritime urban civilizations connected continents, transmitted technologies, diffused religions, and facilitated the exchange of goods and ideas across the known world.

Indeed, the contemporary global order—with its interconnected port cities, financial centers, shipping networks, and cosmopolitan metropolises—is best understood not as a wholly modern creation but as the latest manifestation of a maritime urban tradition whose origins reach back more than four thousand years.



## 2.8. A Durable Civilization would therefore Combine them through Several Principles

- **Networked Cities Within A Secure Territorial Base.**  
Cities should function as centers of trade, finance, technology, culture, and innovation, while the surrounding territory provides food, energy, raw materials, and manpower.
- **Maritime Trade Backed By Territorial Self-Sufficiency.**  
Trade should enrich the civilization, but survival should not depend completely on foreign trade. Maintain domestic capacity for essential food, energy, technology, and strategic materials.
- **Naval Power Plus Land Power.**  
A strong navy protects trade routes and prevents economic isolation, while a capable army protects the territory and provides strategic depth.
- **Decentralized Innovation With Centralized Strategic Coordination.**  
Cities and regions should have enough autonomy to experiment and compete. The central government should focus on defense, infrastructure, currency, major strategic projects, and maintaining common rules.
- **Cosmopolitanism Without Loss Of Social Cohesion.**  
Encourage immigration, cultural exchange, and international commerce while maintaining shared civic institutions, laws, and political identity.  
Multiple economic centers.  
Avoid becoming dependent on one dominant city. Build several major cities connected by roads, ports, railways, communications, and financial networks. If one city declines, the civilization should continue functioning.
- **Redundant Infrastructure.**  
Longevity requires backup ports, energy systems, food-producing regions, transportation routes, financial institutions, and communication networks. Resilience matters more than maximum efficiency.
- **Invest In Human Capital.**  
Education, scientific research, engineering, public health, and institutional competence are more important for long-term survival than simply accumulating territory or wealth.

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- **Avoid Imperial Overstretch.**

Territorial expansion should only occur when the administrative, economic, and military capacity exists to govern the additional territory. More land is not automatically more power.

- **Maintain Strong Institutions Rather Than Relying On Exceptional Leaders.**

A civilization becomes durable when competent administration, succession, courts, taxation, military organization, and political accountability continue working even when individual rulers fail.

- **Preserve Fiscal Discipline.**

Maritime wealth can encourage financial speculation, while territorial empires can become burdened by military and administrative expenses. A sustainable state needs enough taxation and economic growth to support its commitments without permanently consuming its productive base.

- **Learn From Decline Rather Than Simply Celebrating Expansion.**

Civilizations often become vulnerable when elites become complacent, institutions become rigid, inequality destroys cohesion, military costs become excessive, or the state loses the ability to adapt. Regular institutional reform is therefore a survival mechanism.

The ideal model is essentially:

Maritime civilization = connectivity, commerce, innovation, naval power and cosmopolitanism.

Territorial civilization = resources, population, strategic depth, infrastructure, administration and military endurance.

Combined civilization = networked cities + productive hinterland + strong institutions + maritime access + territorial security + continuous adaptation.

The deepest lesson for longevity is that a civilization should not optimize for maximum power at one particular moment. It should optimize for resilience across centuries. It needs enough wealth to innovate, enough territory and resources to survive disruption, enough military power to defend itself, enough openness to learn from outsiders, and enough institutional flexibility to reform itself before crises become existential.

### 3. Evaluating the EU's Urban Policy Posture

The EU's Cohesion Policy can be evaluated as an attempt to combine the strengths of a maritime, city-based civilization with those of a large territorial political system. Its underlying ambition is not simply to redistribute wealth, but to create a more integrated European economy in which prosperous cities, industrial regions, rural territories, ports and peripheral areas reinforce one another.

The maritime-city model contributes trade, entrepreneurship, innovation, financial strength, cosmopolitanism, naval access and dense networks of cities. Its weaknesses are dependence on external markets, vulnerable infrastructure, concentration of wealth in major urban centers and exposure to disruptions in trade and supply chains.

The territorial model contributes population, agricultural and resource capacity, strategic depth, infrastructure, administrative capacity and resilience. Its weaknesses can include bureaucracy, slower adaptation, regional inequality, political rigidity and the costs of maintaining a large and diverse territory.

The EU's Cohesion Policy attempts to combine these two models.

The central objective is to reduce economic, social and territorial disparities while strengthening competitiveness, employment, sustainable development and cooperation between regions. In this sense, Cohesion Policy is fundamentally about preventing European integration from becoming an arrangement in which a small number of highly productive metropolitan and maritime regions prosper while the wider territorial base declines.

The ideal is not to make every European region identical.

The objective is to make European regions increasingly capable of participating in the same economic, social and political network.

Networked cities within a secure territorial base

This is one of the strongest elements of Cohesion Policy.

European cities function as centers of finance, innovation, education, technology, culture and commerce. Cohesion Policy attempts to connect these centers to surrounding towns, industrial regions, rural areas and peripheral territories through transport, digital infrastructure, energy systems and regional investment.

This creates a system in which the productive capacity of cities can spread through the wider territory rather than remaining concentrated within a few metropolitan centers. And that is off course why we in Europe have this discussion about metropolitan versus urban centers should be the focus of EU support. Surely both should be eligible. We cannot afford everything, but there should be space for every conurbation in need of succour, good advice and or a kick-off initiative.

#### **The principle is therefore:**

Prosperous cities create wealth and innovation.

Connected regions gain access to those opportunities.

The wider territory provides labor, resources, industry, agriculture and strategic depth.

Integration allows these different strengths to reinforce one another. This resembles the structure of a maritime civilization while retaining the territorial depth of a continental power.

Maritime commerce backed by territorial resilience

The EU benefits enormously from maritime commerce and international trade. Major ports and coastal metropolitan regions connect Europe to global markets.

But a durable European system cannot depend entirely on external trade.

Cohesion Policy therefore supports transport, energy, digital connectivity, industrial development and regional economic capacity. These investments can strengthen the internal connections

that allow Europe to continue functioning even when individual markets, routes or external suppliers are disrupted. The deeper principle is that maritime openness should be supported by territorial resilience.

Europe should be able to trade extensively with the world without becoming incapable of functioning when global trade is disrupted.

### 3.1. Naval and Land Power

Cohesion Policy is not a defence policy, but its infrastructure has strategic consequences.

Ports, railways, roads, energy networks, bridges, telecommunications and logistics systems are simultaneously economic and strategic assets.

A resilient European system therefore requires both maritime access and continental connectivity.

The maritime dimension provides access to global commerce.

The continental dimension provides strategic depth.

The combination is considerably more resilient than dependence upon either one alone.

### 3.2. Decentralized Innovation with Strategic Co-Ordination

This is another area in which Cohesion Policy fits the combined model particularly well.

The EU establishes common strategic objectives and provides substantial financial resources, while Member States and regions participate in determining priorities and implementing programmes.

This allows European policy to combine coordination at the continental level with experimentation at the regional and local levels.

The principle is important:

The EU should establish the framework.

Regions should have room to experiment.

Cities should compete in productivity and innovation.

Successful approaches should be replicated elsewhere.

This is preferable to either complete centralization or complete fragmentation.

A large political system becomes adaptable when local institutions can experiment without losing the advantages of belonging to a larger common system.

Cosmopolitanism without fragmentation

The EU's internal movement of people, goods, capital and knowledge creates an unusually high degree of economic and cultural connectivity.

This provides many of the advantages traditionally associated with maritime civilizations.

Cities become international centers.

Businesses gain access to larger markets.

Workers can move toward opportunity.

Universities and research institutions become interconnected.

Ideas circulate rapidly.

At the same time, Cohesion Policy attempts to maintain social and territorial cohesion so that openness does not simply concentrate wealth in the most successful regions.

The underlying challenge is therefore to maintain openness without allowing the political community to fragment into disconnected economic zones.

Multiple centers of economic power

A major strength of the European system is that it does not depend upon a single economic capital.

Europe contains numerous major metropolitan and industrial centers, including Paris, Berlin, Milan, Madrid, Amsterdam, Brussels, Munich, Barcelona, Vienna, Warsaw, Copenhagen and Stockholm, alongside many smaller cities and regional centers.

Cohesion Policy reinforces this broader network by supporting regional development rather than allowing economic activity to become permanently concentrated in a few dominant locations.

This creates redundancy.

If one city or region experiences economic decline, political instability or infrastructure failure, the entire system does not necessarily collapse.

For long-term civilization, redundancy is often more valuable than maximum efficiency.

### 3.3. Infrastructure as Strategic Resilience

Cohesion Policy's investments in transport, energy, digital systems, environmental infrastructure and urban development are therefore more significant than they may initially appear.

Infrastructure determines whether a large political and economic space actually functions as one system.

A railway is not merely a railway.

It connects workers to employment, businesses to markets, cities to one another and regions to the wider economy.

A port is not merely a commercial facility.

It is a connection to global trade.

A digital network is not merely communications infrastructure.

It is part of the economic nervous system.

From the perspective of long-term civilization, Cohesion Policy is therefore partly an exercise in constructing redundancy, connectivity and resilience.

Human capital as the foundation of longevity

The most durable source of European power is ultimately not territory but human capability.

Education, scientific research, engineering, entrepreneurship, skills, public administration and institutional competence determine whether infrastructure and capital can actually generate sustained prosperity.

Cohesion Policy's investment in employment, education, skills and social inclusion therefore fits closely with the principle that territorial development must ultimately be human development.

A region can receive roads, railways and industrial parks, but without skilled people, productive businesses and effective

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institutions, those investments will have limited long-term impact.

The objective should therefore be transformation rather than permanent compensation.

The stronger outcome is not:

Poor region receives money.

The stronger outcome is:

Poor region develops infrastructure, skills, businesses and institutions that allow it to generate increasing amounts of its own wealth.

### 3.4. Avoiding Imperial Overstretch

The EU also faces a version of the territorial empire's fundamental problem: scale.

The larger and more diverse the political system, the more difficult coordination becomes.

Cohesion Policy can help manage this diversity, but excessive administrative complexity can itself become a source of weakness.

The danger is that the system becomes better at distributing and administering funds than at producing structural transformation.

A durable system therefore requires a continual distinction between bureaucracy and capability.

Administrative procedures are necessary.

But administrative activity is not itself an achievement.

The ultimate measure must be whether European regions become more productive, innovative, connected, resilient and capable of sustaining their own development.

Fiscal discipline and productive investment

The maritime-city model can become vulnerable to financial speculation and excessive dependence on trade.

The territorial model can become vulnerable to excessive military, administrative and welfare expenditures.

### 3.5. The EU's Challenge is to Avoid both

Cohesion spending is most valuable when it expands future productive capacity: infrastructure, skills, technology, energy resilience, research, connectivity and productive enterprises.

Investment that merely preserves existing economic structures without increasing future capacity provides diminishing returns.

The distinction is therefore between redistribution that maintains dependence and investment that creates independence.

The latter is much more consistent with long-term cohesion.

The danger of permanent regional dependency

This is perhaps the most important weakness in the Cohesion Policy model.

Redistribution can reduce inequality, but redistribution alone cannot guarantee convergence.

A region can receive substantial investment while continuing to lose population, businesses and skilled workers.

This can create a cycle:

Population decline leads to weaker labor markets.

Weaker labor markets lead to fewer businesses.

Fewer businesses reduce the tax base.

A weaker tax base reduces local capacity.

Lower capacity accelerates population decline.

Cohesion Policy is most successful when it breaks this cycle rather than merely compensating for its consequences.

The objective should therefore not be to preserve every existing economic structure indefinitely.

Some regions need revitalization.

Some need specialization.

Some need stronger connections to metropolitan centers.

Some may need to adapt to demographic decline.

The purpose of cohesion should be to preserve human capability and social stability while allowing economic geography to evolve. Strategic resilience must become part of cohesion.

The implementation rate of Cohesion policy at 80% indicates something is wrong.

The greatest gap between the ideal model and Cohesion Policy is strategic resilience.

Economic cohesion, social cohesion and territorial cohesion are necessary, but they are not sufficient for long-term civilizational resilience.

A genuinely resilient European system must also consider energy security, food security, technological capacity, critical raw materials, supply chains, defense infrastructure, demographic resilience and the security of communications.

The experience of recent geopolitical and energy crises demonstrates that interconnectedness can be both a strength and a vulnerability.

A civilization becomes stronger when networks connect its regions.

It becomes vulnerable when those networks depend excessively on a small number of external suppliers or routes.

The EU therefore needs to combine openness with strategic redundancy.

### 3.6. The Central Lesson

The strongest interpretation of Cohesion Policy is not that the EU is attempting to make all European regions equal.

It is attempting to create a system in which different regions contribute different strengths to a common whole.

The major cities provide innovation, finance, entrepreneurship and global connectivity.

Industrial regions provide manufacturing and technological capacity.

Rural regions provide food, land, resources and environmental services.  
 Ports provide access to global commerce.  
 Peripheral regions provide strategic depth and geographic reach.  
 Smaller cities provide additional economic and institutional centers.  
 Infrastructure connects these different capabilities.  
 Cohesion Policy is therefore most successful when it turns geographical diversity into a source of collective strength.

The fundamental formula becomes:

Maritime civilization: connectivity, commerce, innovation, naval access and cosmopolitanism.

Territorial civilization: population, resources, infrastructure, strategic depth, administration and endurance.

The EU's combined model: networked cities + productive hinterlands + territorial cohesion + common institutions + maritime access + human capital + strategic resilience.

The deepest lesson for European longevity is that the EU should not seek maximum economic efficiency at the expense of resilience, nor maximum redistribution at the expense of dynamism.

It should seek productive integration.

The purpose of cohesion should be to ensure that the prosperity of Europe's strongest cities strengthens the wider territory, while the resources, people, infrastructure and strategic depth of the wider territory strengthen those cities in return.

In this model, the city provides innovation.

The sea provides connection.

The territory provides depth.

Infrastructure provides integration.

Institutions provide continuity.

Human capital provides renewal.

And cohesion provides the mechanism through which these different strengths become greater together than they would be separately.

The ultimate test of Cohesion Policy is therefore not whether disparities disappear entirely. It is whether the European system becomes more capable of adapting to shocks, generating new centers of prosperity, retaining its people and skills, sustaining its productive base and renewing itself across generations to ensure a balanced and harmonious territorial development through calibrated interventions within budget and time to signal commitment and agility.

| Innovation      | Stability           | Innovative but stable economy      |
|-----------------|---------------------|------------------------------------|
| Trade           | Resources           | Open but resilient economy         |
| Cities          | Hinterland          | Connected regions                  |
| Naval access    | Land infrastructure | Global + internal connectivity     |
| Cosmopolitanism | Social cohesion     | Openness + cohesion                |
| Wealth          | Population          | Broad-based prosperity             |
| Flexibility     | Administration      | Local initiative + EU coordination |
| Competition     | Solidarity          | Competition + cohesion             |

**Table 1: Maritime-City Civilisation Territorial Civilisation Eus Combined Goal Main Lesson**

The EU's Cohesion Policy is trying to achieve:

Strong cities + strong regions + strong connections + strong institutions.

Its greatest strengths are connectivity, infrastructure, human capital, innovation and regional development.

Its main weaknesses are bureaucracy, regional dependency, uneven productivity and incomplete strategic resilience.

Implementation rates at +80% is not good enough and unconvincing.

#### **The Long-Term Objective Should Therefore Be:**

Not equal regions, but capable regions.

Not redistribution alone, but productive investment.

Not centralized control, but coordinated autonomy.

Not dependence on global trade, but openness backed by resilience.

Not maximum efficiency, but prosperity that can survive shocks and adapt over generations.

Let us now examine practice and the nitty-gritty of EU policy.

#### **4. Urban Public Policy and the European Institutional Architecture**

The design of EU institutions was originally centred on economic integration, trade, agriculture, and later monetary cooperation. Urban governance was not initially considered a European responsibility. However, the growing concentration of Europe's population and economic activity in metropolitan areas has progressively transformed cities into strategic actors for achieving European objectives.

Today, many EU priorities are essentially urban challenges. The European Green Deal requires cities to reduce emissions and redesign mobility systems. Digital strategies depend on urban innovation ecosystems. Social cohesion policies address inequalities concentrated in metropolitan areas. Migration management, cultural development, and economic competitiveness are also strongly connected to urban realities.

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As a result, EU institutions have gradually developed an urban dimension through mechanisms such as cohesion policy, regional development funds, research programs, climate initiatives, and urban partnerships. Institutions such as the European Commission, the Committee of the Regions, and the European Investment Bank increasingly interact with cities and metropolitan authorities.

However, this evolution has produced a structural tension: the EU has acquired significant influence over urban development while cities remain legally under national authority.

#### **4.1. The EU's Role: Coordination Rather than Direct Control**

The EU's approach to urban policy is based largely on the principle of subsidiarity, meaning that decisions should be taken at the level closest to citizens whenever possible. Therefore, the EU does not possess general competence to legislate on urban planning, housing, land use, or local government structures.

Instead, the EU influences urban policy through:

- financial instruments, such as cohesion funds and investment programs;
- regulatory frameworks affecting energy, environment, transport, and competition;
- strategic initiatives promoting sustainable urban development;
- knowledge networks and exchanges between cities.

This model creates a form of indirect governance, where European institutions shape urban priorities by setting objectives and providing resources rather than issuing direct commands. For many cities, this European involvement is positive because it provides access to expertise, funding, and international cooperation. However, for some Member States, it raises concerns about a gradual transfer of authority from national governments to European institutions.

#### **4.2. Member State Concerns: The Fear of Losing Control**

A significant number of Member States are concerned that increasing EU involvement in urban affairs could represent a form of competence expansion beyond the treaties. Their argument is that urban development reflects national choices, cultural traditions, administrative systems, and democratic preferences that should remain under national control.

Several concerns explain this resistance.

First, governments fear a loss of sovereignty. If European institutions establish common urban standards, indicators, or funding conditions, national governments may perceive this as limiting their ability to define their own development priorities.

Second, Member States worry about the creation of a two-level governance system where European institutions engage directly with cities and metropolitan regions, potentially bypassing national authorities. This can be perceived as weakening the traditional role of central governments as intermediaries between Europe and local territories.

Third, some governments fear that European urban agendas may reflect the priorities of large metropolitan areas rather than the interests of smaller towns, rural territories, or less-developed regions. They argue that a stronger European urban focus could increase territorial inequalities.

#### **4.3. Why Some Member States Resist, Block, or Undermine EU Urban Initiatives**

The resistance of some Member States does not necessarily come from opposition to urban development itself, but from concerns about political authority, institutional competition, and strategic interests.

One reason is the defence of national political control. Central governments often view local governance as part of their domestic political structure. Greater European involvement with cities may reduce national governments' ability to control investment priorities and political narratives.

A second reason is the fear of conditionality. EU funding often comes with requirements related to transparency, environmental standards, governance reforms, or social objectives. Some governments perceive these conditions as external interference rather than as mechanisms for accountability.

A third factor is competition over resources. European urban programs can redirect financial flows toward metropolitan authorities, innovation ecosystems, and regional actors. National administrations may resist reforms that reduce their influence over funding allocation.

A fourth factor is ideological disagreement. Some governments favour a more intergovernmental vision of Europe, where Member States remain the primary decision-makers. They may therefore resist initiatives that strengthen European institutions or create stronger direct relationships between the EU and local actors.

Fifth, money for EU urban policy rarely goes straight from Brussels to a city hall — it usually passes through national or regional "managing authorities" first, which decide which local projects get funded from the EU's overall allocation. This indirection is the first place things get stuck: cities often have to compete for money that their own national government controls the gate to, so local priorities can get reshaped or delayed by national politics. Regulations for a funding cycle have sometimes been finalized six months after the programming period officially began, which is later than any prior cycle — meaning cities can wait the better part of a year before rules are even settled enough to apply. Once money is allocated, spending itself lags badly: in the 2014–2020 cycle, roughly half of all funds were spent only in the final three years, with about a quarter spent in the very last year, a classic sign of late-cycle scrambling rather than steady investment. That pattern repeats: by the end of 2021, with under two years left to spend 2014–2020 funds, several countries — including Croatia, Slovakia, Malta, and Denmark — were still only around 54–58% through their allocations, risking losing the money entirely if it wasn't committed in time. The bottlenecks aren't usually corruption

— researchers point to weak administrative capacity, including insufficient staff skills to design and manage funding calls, as a major driver of poor absorption — so poorer regions with thinner bureaucracies often lose out precisely when they need the money most. The least-developed regions consistently show the lowest absorption rates, reflecting real gaps in governance quality and institutional capacity, which is a quietly damning finding for a policy explicitly designed to reduce regional inequality. Decentralization can make it worse, not better: handing implementation to regional authorities can slow spending further because coordinating with central government becomes more complex. External shocks compound the delays — COVID-19 caused severe delays in spending 2014–2020 cohesion funds, which then pushed back the start of the following 2021–2027 funding period, showing how one cycle's problems cascade into the next.

#### 4.4. The Problem of Institutional Fragmentation

The current EU system creates a paradox. Cities are responsible for implementing many European objectives, but they often lack a formal role in European decision-making. Meanwhile, Member States retain legal authority but may not always possess the capacity to manage increasingly complex metropolitan challenges.

This creates a governance gap:

European institutions set strategic objectives.

National governments control formal competencies.

Cities implement policies but often lack political influence.

The result can be fragmented policymaking, duplication of efforts, and tensions between different levels of government.

Cucca and Ranci (2022) highlight the importance of **policy capacity and multi-level governance** in shaping the ability of European cities to respond effectively to complex challenges. Their analysis shows that urban policy capacity is not simply an attribute of individual cities, but is strongly conditioned by institutional competences, administrative resources, access to finance and relationships with higher levels of government. This suggests that the effectiveness of EU urban policy depends not only on the quality of policy interventions, but also on the institutional environment through which cities are expected to implement them.

Casavola et al. (2025) reinforce this perspective by demonstrating the considerable diversity of **metropolitan governance arrangements across Europe**. Differences in institutional structures, competences, territorial boundaries, resources and degrees of formalisation mean that there is no single model of metropolitan governance that can be uniformly applied across European contexts. Effective urban governance therefore depends on the alignment between institutional arrangements and the functional characteristics of metropolitan areas, as well as on the capacity to coordinate across municipalities and levels of government.

These studies point to a broader challenge for EU urban policy: **the gap between policy formulation and territorial implementation is closely connected to differences in governance capacity and**

**institutional fragmentation**. This is particularly relevant for the Urban Agenda for the EU, whose recommendations must ultimately be translated through highly diverse national, regional, metropolitan and local governance systems. It also highlights the need for stronger European mechanisms capable of connecting urban policy knowledge, institutional capacity, funding and implementation across these different territorial contexts.

#### 4.5. Implementation of the New Leipzig Charter Across EU Member States and Urban Areas

The implementation of the New Leipzig Charter (NLC) across the European Union is uneven and highly dependent on national institutional structures, governance capacity, access to funding, and the characteristics of individual urban areas. Adopted in 2020, the Charter provides a common European framework for sustainable and integrated urban development, but it is **not legally binding**. Consequently, its implementation depends largely on how Member States, regions and cities translate its principles into national urban policies, territorial strategies, planning systems and investment programmes. The Charter is therefore better understood as a framework for policy coordination and policy learning than as a conventional EU regulatory instrument.

The NLC is organised around the concepts of the **just city, green city and productive city**. The just city emphasises social inclusion, equal access to services, affordable housing and participation; the green city focuses on climate neutrality, environmental protection, sustainable mobility and resilience; while the productive city addresses local economic development, innovation, employment and digital transformation. These objectives are underpinned by integrated development, place-based approaches and multi-level governance.

At the **Member State level**, implementation varies according to the strength of national urban policy systems. Countries with long-established traditions of integrated urban development and strong local government institutions have generally been better positioned to incorporate the Charter into existing policy frameworks. In these contexts, the NLC tends to reinforce and reorient existing approaches rather than create completely new institutions. Countries such as Germany, the Netherlands, Austria, Finland and France provide particularly relevant contexts because urban development is already supported by relatively mature planning and governance systems.

In other Member States, particularly where national urban policy has historically been less institutionalised, the Charter is more frequently implemented through **EU Cohesion Policy, urban regeneration programmes and individual EU-funded projects**. This creates an important distinction between the formal adoption of NLC principles and their actual institutionalisation. A national or regional strategy may refer explicitly to integrated, green or inclusive urban development without necessarily producing significant changes in local planning practices or governance arrangements. Consequently, the existence of the Charter within policy documents should not automatically be interpreted as

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evidence of effective implementation.

This distinction is particularly important in **Central and Eastern European Member States**, where EU funding has frequently provided a major source of investment in urban development. The NLC can provide a common conceptual framework, but cities may remain dependent on national ministries and European funding programmes for resources and technical expertise. The result is that implementation may be project-based rather than embedded within long-term local governance structures. Research on national urban policies similarly demonstrates substantial variation in the institutional capacity available to cities across Europe.

At the **metropolitan level**, implementation of the New Leipzig Charter presents both significant opportunities and governance challenges. Many of the issues addressed by the Charter—transport, housing, labour markets, climate adaptation, energy systems and green infrastructure—extend beyond individual municipal boundaries. Metropolitan areas are therefore particularly important for the Charter's principle of **multi-level and multi-jurisdictional governance**. Metropolitan authorities and inter-municipal arrangements can facilitate integrated approaches to these challenges, although fragmented administrative structures can also make implementation difficult.

The metropolitan scale is therefore potentially the most appropriate scale for implementing several elements of the NLC, but it is also where institutional fragmentation becomes particularly visible. A metropolitan region may contain a prosperous central city, rapidly growing suburban municipalities and declining peripheral towns, each with different political priorities and financial capacities. Implementing the principle of the "just city" therefore requires more than improving conditions within the central municipality; it requires addressing inequalities across the wider functional urban area.

**Large cities** generally have greater capacity to implement the Charter than smaller urban areas. They tend to possess specialised planning departments, climate strategies, dedicated EU-project teams, established relationships with European networks and greater ability to attract external investment. Consequently, large cities have been particularly active in areas such as climate-neutral development, sustainable mobility, digitalisation, urban regeneration and participatory governance.

However, this apparent advantage also creates a potential **urban policy bias**. European urban policy networks and research frequently focus on prominent metropolitan areas and large cities because these cities have the administrative capacity to participate in European initiatives and produce policy documentation. As a consequence, the experience of large cities can become disproportionately influential in defining what successful implementation of the NLC looks like.

The situation is different for **medium-sized cities and large towns**. These urban areas can play an important role in territorial

cohesion and regional development but frequently have fewer administrative, financial and technical resources. They may implement individual components of the NLC, such as brownfield regeneration, sustainable transport, energy efficiency, public-space improvements or local economic development, without developing a comprehensive integrated urban strategy.

This is particularly significant because medium-sized cities represent an important part of the European urban system. Their relative absence from research and European policy debates creates a substantial knowledge gap. The fact that a city is smaller does not necessarily mean that it has weaker urban policy ambitions; rather, its ability to implement those ambitions may be constrained by institutional capacity, access to funding and its position within national and regional governance systems.

**Small towns face an even greater implementation challenge.** They often have limited planning and administrative capacity, smaller budgets and less access to specialised expertise. Their implementation of the NLC may consequently occur indirectly through regional programmes, national funding schemes or EU-funded projects rather than through locally developed comprehensive urban strategies. This raises an important question about whether the NLC is equally applicable across the highly diverse urban settlement structures of the EU.

The central issue, therefore, is not simply whether Member States and cities have adopted the principles of the New Leipzig Charter, **but how those principles are translated into institutional practices and concrete urban outcomes**. There is an important difference between policy alignment and policy implementation. A city may formally embrace integrated development, participation, sustainability and social inclusion while continuing to operate through fragmented administrative structures and sectoral decision-making.

The literature also indicates that the **green dimension of the Charter has gained particularly strong momentum** because it corresponds closely with broader EU priorities such as the European Green Deal, climate neutrality and sustainable mobility. The social dimension presents a more complicated picture. Issues such as affordable housing, social exclusion and unequal access to urban services are politically and institutionally more difficult to address, particularly in rapidly growing metropolitan housing markets. The productive dimension likewise creates tensions because policies designed to enhance competitiveness and attract investment can sometimes contribute to rising land and housing costs or spatial inequalities.

Citizen participation represents another area where implementation remains difficult to assess. The NLC places considerable emphasis on participation, co-creation and cooperation between public authorities, civil society and other stakeholders. However, participation can range from meaningful co-decision-making to relatively limited consultation. There is still insufficient comparative evidence demonstrating whether participatory

mechanisms introduced under NLC-inspired policies actually change decisions, redistribute power or improve urban outcomes.

Although the New Leipzig Charter provides a common European framework for integrated, just, green and productive urban development, its implementation varies considerably across European cities. Existing research has paid substantial attention to the principles and governance objectives of the Charter, but

there is limited comparative empirical evidence explaining why some cities translate these principles into comprehensive urban policies and practices while others implement them selectively or primarily through individual projects. In particular, the interaction between **urban scale, national institutional frameworks, local governance capacity and access to financial and technical resources** remains insufficiently understood.

| Urban Governance Capacity for Climate Action <span>Made with AI</span>                                   |                     |                           |                                                                             |                                                             |                               |
|----------------------------------------------------------------------------------------------------------|---------------------|---------------------------|-----------------------------------------------------------------------------|-------------------------------------------------------------|-------------------------------|
| Urban Scale                                                                                              | Governance Capacity | Main NLC Dimension        | Typical Implementation                                                      | Key Constraints                                             | Expected Implementation Level |
| <br>Metropolitan Areas  | High                | Green + Productive        | Metropolitan climate strategies, Integrated transport & housing             | Fragmented jurisdictions, Competing municipalities          | High but Uneven               |
| <br>Large Cities        | High                | Green + Just + Productive | Climate neutrality, Sustainable mobility, Affordable housing, Participation | Housing pressures, Inequality, Administrative fragmentation | High                          |
| <br>Medium-Sized Cities | Medium              | Just + Green              | Urban regeneration, Energy efficiency, Local economic development           | Limited finance & expertise, Administrative capacity        | Medium                        |
| <br>Large Towns        | Medium / Low        | Just + Green              | Public-space improvements, Local services, Energy projects                  |                                                             | Medium to Low                 |
| <br>Small Towns       | Low                 | Just                      | Basic services, Regeneration, Environmental projects                        |                                                             | Low                           |

**4.6. The Strongest Aspect: Urban Scale is Clearly Differentiated**  
The distinction between **metropolitan areas, large cities, medium-sized cities, large towns and small towns** is useful because it allows you to move beyond the common tendency in EU urban-policy research to focus primarily on metropolitan areas and major cities.

However, you need to define these categories using an **explicit classification system**. “Large city” and “large town,” for example, can mean different things across Member States. For an EU comparative study, you could use an established European statistical or policy classification rather than creating your own categories.

More importantly, **urban scale should not automatically be equated with governance capacity**. A medium-sized city can have exceptionally strong administrative capacity, while a large city can have fragmented or weak governance. Therefore, I would treat governance capacity as an **independent explanatory variable**, rather than assuming that it increases automatically with city size.

**4.7. Governance Capacity should be Separated from Urban Scale**

The second column is potentially the most important weakness.  
Your table currently assumes:  
**Metropolitan = High capacity → Large city = High → Medium city = Medium → Large town = Medium/Low → Small town = Low.**

Thus, we need a better understanding of how the Leipzig charter is being implemented between different urban scales.

Implications for EU Institutions and Member States  
At the EU level, stronger coordination with cities could improve policy effectiveness. Metropolitan authorities often possess the practical knowledge needed to implement climate, mobility, housing, and innovation strategies. Ignoring their role can weaken European objectives.

However, the EU must avoid creating the perception of centralisation. A successful European urban policy should strengthen cities without replacing Member States.

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For Member States, the challenge is to move from a model of control toward a model of partnership. National governments remain essential because they provide constitutional legitimacy, financial coordination, and territorial balance. Their role should evolve from gatekeepers to strategic coordinators.

### 5. How Effective are the Urban Agenda Partnerships?

The evidence suggests that the Partnerships have been **moderately effective as mechanisms of policy coordination, knowledge production and agenda-setting, but much less effective as direct instruments for delivering Cohesion Policy or Green Deal outcomes.**

This distinction is crucial. The Partnerships were designed around three objectives: **better regulation, better funding and better knowledge.** They are not themselves major funding programmes and generally cannot compel Member States, cities or the Commission to implement their recommendations. Their effectiveness therefore depends on whether their recommendations are subsequently incorporated into EU legislation, funding programmes, national policies and local investment. (Eur-Lex)

Van der Heijde (2021) examines the evolution of the Urban Agenda for the European Union (UAEU) and, in particular, the tension between developing policies about cities and developing policies with cities. The chapter highlights the UAEU as an attempt to strengthen the role of cities in European policymaking by bringing urban authorities into a multi-level governance process involving the European Commission, Member States and other stakeholders. Its importance lies in recognising cities not merely as recipients of EU policies but as active participants in shaping policy priorities, identifying regulatory barriers and improving access to funding and knowledge.

A central analytical point is that the UAEU represents a shift towards a more collaborative and partnership-based approach to European urban policy. Through the Urban Agenda Partnerships, cities can contribute directly to identifying policy problems and developing recommendations. However, Van der Heijde also points to the difficulty of translating this participatory approach into lasting influence over EU policymaking. The involvement of cities in partnerships does not automatically guarantee that their recommendations will be incorporated into legislation, funding instruments or national and regional implementation processes.

For the purposes of this study, the chapter is particularly relevant because it identifies the implementation and institutionalisation challenge at the heart of the UAEU. The move from policies about cities to policies developed with cities requires more than participation in European-level dialogue; it requires institutional mechanisms capable of ensuring that urban knowledge and recommendations feed into the wider EU policy and funding architecture. This provides an important foundation for examining how the UAEU can move from partnership-based policy learning towards more systematic influence on Cohesion Policy, the Green Deal and territorial implementation.

The clearest achievement of the Partnerships has been the creation of **transnational policy-learning networks.**

Cities, Member States, Commission services and other stakeholders work together to identify regulatory barriers, funding gaps, data needs and transferable practices. This is important because urban policy is highly fragmented across EU policy sectors. The Partnerships provide a mechanism through which urban authorities can bring local problems into EU policy discussions.

The evidence shows that the Partnerships have produced a substantial number of outputs, including **policy recommendations, guidance documents, toolkits, data and indicators, strategies and governance proposals.** The UAEU monitoring framework reports 132 actions across the Partnerships, with a substantial proportion implemented or completed. (Urban Agenda)

This suggests that the Partnerships have been relatively successful as a **knowledge and coordination mechanism.**

However, there is an important limitation: producing knowledge is not the same as changing policy or improving urban outcomes. The Partnerships were also intended to identify unnecessary regulatory barriers and influence EU legislation.

This is one of the most innovative aspects of the UAEU because cities are not simply recipients of EU policies; they are given a structured opportunity to participate in their development. The European Commission's early assessment found that cities were able to contribute meaningfully to EU policy-making through the Partnerships. (Eur-Lex)

Nevertheless, the evidence for **systematic regulatory change** is weaker.

The key problem is that Partnership recommendations are generally **non-binding.** Their ability to influence legislation depends on Commission uptake, political priorities and the willingness of Member States to act. The European Parliament has therefore identified the ability of Partnerships to deliver actions and the extent to which their recommendations are taken up by the Commission as critical determinants of their effectiveness. (European Parliament)

So I would characterise their regulatory effectiveness as:  
**high agenda-setting capacity → moderate policy influence → limited evidence of transformative regulatory change.**

### 5.1. Better Funding: Probably the Weakest Pillar

This is where your research question becomes particularly interesting.

The Partnerships were explicitly intended to improve the accessibility and effectiveness of EU funding for cities. However, they **do not control Cohesion Policy funding.**

**That creates a structural gap between urban policy coordination and financial implementation.** The EU currently invests substantial Cohesion Policy resources in towns and cities, and urban authorities are directly responsible for significant investments under Cohesion Policy programmes. Yet the European Parliament's recent assessment notes that progress in empowering cities within Cohesion Policy has remained limited. It identifies insufficient EU resources directed specifically toward urban issues, difficulties accessing direct EU funding, and a lack of effective long-term urban governance mechanisms. (European Parliament)

This suggests that the Partnerships may be effective at identifying what cities need, but less effective at ensuring that those needs translate into funding decisions.

That is a very important distinction for your research.

*Cohesion Policy: indirect rather than direct effectiveness*

I would therefore avoid asking whether the Partnerships themselves "deliver Cohesion Policy."

A more accurate formulation would be:

**To what extent do the Urban Agenda Partnerships influence the design, coordination and territorial implementation of Cohesion Policy in urban areas?**

Their contribution appears to operate through several indirect mechanisms.

They can identify funding gaps, develop recommendations, improve knowledge about urban needs, facilitate dialogue between cities and Member States, and influence the design of funding instruments.

But the actual allocation and management of Cohesion Policy resources remains largely embedded in **national and regional programming systems**.

This creates an implementation chain:

Urban Agenda Partnership

→ policy recommendation

→ Commission / Member State response

→ Cohesion Policy programming

→ national/regional funding allocation

→ city-level project

→ urban outcome

The further you move along this chain, the more difficult it becomes to attribute an outcome directly to the Partnership.

That is one of the most important methodological issues for your research.

*Green Deal: potentially strong alignment, but attribution is difficult*

The relationship with the European Green Deal is particularly promising.

Several Urban Agenda Partnerships deal directly or indirectly with Green Deal priorities, including sustainable land use, circular economy, climate adaptation, energy transition, sustainable tourism and greening cities.

For example, the current **Greening Cities Partnership** is implementing actions concerning urban restoration, structural funding for green infrastructure and innovative funding mechanisms. It has also produced work advocating dedicated EU funding for urban green infrastructure and is developing links with the Nature Restoration Regulation and other EU environmental frameworks. (Urban Agenda)

This indicates that the Partnerships can function as a **policy bridge between EU-level environmental objectives and urban implementation**.

However, there is a major analytical problem.

If a city reduces emissions after receiving Cohesion Policy funding, participating in an Urban Agenda Partnership and implementing a national climate strategy, **which intervention caused the outcome?**

This makes causal attribution extremely difficult.

Consequently, I would distinguish between:

**Policy Alignment:** Does the Partnership align urban priorities with Green Deal objectives?

**Policy influence:** Do Partnership recommendations influence EU or national policies?

**Implementation:** Are Partnership recommendations incorporated into urban programmes and investments?

**Outcomes:** Do those interventions actually produce measurable reductions in emissions, energy consumption, land degradation, inequality, etc.?

The existing evidence is considerably stronger for the first two than for the last two

## 5.2. Outputs Versus Outcomes

This is, in my view, the **central research gap**.

The UAEU has relatively good evidence of **outputs**:

Action Plans

Policy recommendations

Toolkits

Guidelines

Data platforms

Knowledge exchanges

New governance mechanisms

But there is considerably less evidence connecting those outputs to **actual urban outcomes**.

For example:

**Partnership produces recommendation**

does not necessarily mean

**EU changes regulation**

and

**EU changes regulation**

does not necessarily mean

**Member State changes funding**

and

**funding changes**

does not necessarily mean

**city changes policy**

and does not necessarily mean

**greenhouse-gas emissions fall or social cohesion improves.**

This distinction provides a very strong basis for your research.

**The effectiveness problem is also a multi-level governance problem**

The Partnerships are particularly interesting theoretically because they represent a form of **experimental multi-level governance**.

They bring together:

**EU institutions + national governments + regions + cities + stakeholders**

rather than relying exclusively on the traditional EU → Member State → local government hierarchy.

This fits very closely with the governance principles of the **New Leipzig Charter**.

But the Partnership model also exposes a fundamental tension: **participation does not necessarily equal power.**

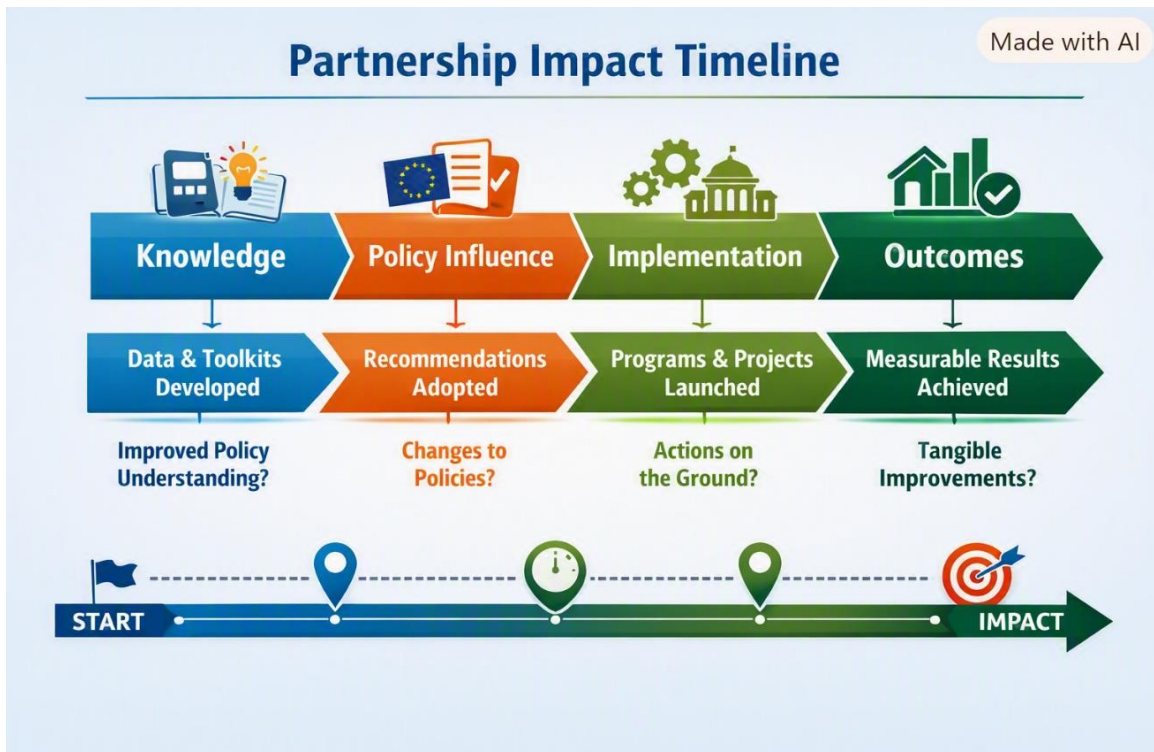
Cities can participate in EU policy discussions without having the authority to allocate Cohesion Policy funds or change EU legislation.

Therefore, one of the key questions should be:

**Does participation in the Urban Agenda Partnerships actually redistribute policy influence to cities, or does it primarily create opportunities for consultation and policy learning?**

That is a much more analytically interesting question than simply asking whether the Partnerships are successful.

**Table Effectiveness framework for your research**



The JPEG presents a four-stage evaluation framework showing how a Partnership can generate impact over time. The sequence moves from knowledge creation to policy influence, implementation and, ultimately, measurable outcomes. Each stage represents a distinct layer of impact while also showing the progression from learning to action and results.

### 5.3. Knowledge

The first stage focuses on the knowledge and capacity generated through the Partnership. This includes shared data, guidance, toolkits, peer learning and exchanges between cities and other stakeholders. The central question is whether these activities strengthened understanding and improved the capacity of policymakers to address urban challenges. The emphasis is therefore on whether learning was generated, shared and translated

into greater policy awareness and capability.

### 5.4. Policy Influence

The second stage examines whether the knowledge and recommendations generated through the Partnership influenced policy development. This can include changes to EU legislation, policy frameworks, strategic documents, funding instruments or other formal policy processes. The key question is whether Partnership recommendations were taken up and translated into identifiable policy changes, demonstrating that the Partnership moved beyond knowledge exchange to influence decision-making.

### 5.5. Implementation

The third stage assesses whether policy influence resulted in concrete action. It looks at whether national, regional or local

authorities translated recommendations into programmes, reforms, investments or projects. This stage provides the critical link between policy commitment and practical delivery, asking whether Partnership outputs were actually used to shape action on the ground.

### 5.6. Outcomes

The final stage focuses on measurable results and tangible improvements. It examines whether implemented actions generated observable changes in areas such as climate action, social and territorial cohesion, housing, mobility, inclusion or other relevant urban priorities. At this level, the assessment moves beyond activities and outputs to consider whether the Partnership contributed to meaningful and demonstrable improvements.

### 5.7. Overall Logic

The infographic therefore presents a clear impact pathway:

**Knowledge → Policy Influence → Implementation → Outcomes**

The underlying logic is cumulative. Partnerships generate knowledge and capacity, this knowledge can influence policies and decisions, policy influence can lead to implementation, and implementation can ultimately produce measurable results. The framework therefore helps distinguish between **what a Partnership produces, what it influences, what it enables, and what it ultimately helps achieve.**

We ask: **Under what institutional, financial and governance conditions do Urban Agenda for the EU Partnerships successfully translate their recommendations into Cohesion Policy and Green Deal implementation across metropolitan areas, large cities, medium-sized cities and towns?**

### The Resulting Conceptual Model

Urban scale

- National institutional framework
- Local governance capacity
- Access to EU/national funding
- Participation in Urban Agenda Partnership

↓

**Policy influence and coordination**

↓

**Translation of Partnership recommendations into Cohesion Policy / Green Deal programmes**

↓

**Local implementation**

↓

**Urban outcomes**

This also gives us a particularly strong **research gap**:

Existing evaluations demonstrate that Urban Agenda Partnerships have generated substantial knowledge, policy recommendations and multi-level cooperation, but there remains limited systematic evidence demonstrating whether, how and under what conditions these outputs are translated into concrete Cohesion Policy and Green Deal implementation at city level.

That is a considerably more defensible research gap than claiming that the Partnerships are simply "ineffective." The evidence suggests they do something important, but the unresolved question is **how far their influence travels from EU-level partnership activity to measurable urban change.**

### 6. Why Cities Do or Do Not Balance Climate Adaptation, Housing Affordability and Social Inclusion

European cities increasingly face the challenge of addressing climate adaptation, housing affordability and social inclusion simultaneously. These objectives are closely interconnected, but they do not necessarily produce mutually reinforcing outcomes. Climate adaptation measures can improve living conditions and reduce vulnerability, while housing policies can protect households from displacement and energy poverty. However, environmental improvements can also increase land and property values, contribute to gentrification and place additional financial pressure on lower-income households. The capacity of cities to reconcile these objectives therefore depends not only on the policies they adopt but also on their institutional capacity, financial resources, governance arrangements and ability to coordinate across policy sectors.

Cities are more likely to achieve an integrated balance when climate, housing and social policies are developed through cross-sectoral and multi-level governance. Integrated planning allows environmental investments to be considered alongside housing affordability and the protection of vulnerable residents. For example, climate-related housing renovation can simultaneously reduce emissions, improve energy efficiency, lower household energy costs and improve housing quality. Similarly, green infrastructure can contribute to climate resilience while improving access to public space. These positive outcomes, however, depend on complementary measures that ensure that the benefits of environmental investment remain accessible to lower-income households.

A major reason why cities fail to achieve this balance is policy fragmentation. Climate departments, housing authorities, planning agencies and social-policy institutions often operate according to different objectives, budgets and performance indicators. Climate policy may prioritise emissions reduction or resilience, while housing policy focuses on supply and affordability and social policy focuses on vulnerable households. When these objectives are pursued independently, policies can generate unintended consequences. A climate adaptation project may therefore be environmentally successful while simultaneously increasing housing costs or displacing existing residents.

Financial capacity is another important explanatory factor. Integrated climate and housing interventions often require substantial upfront investment. Wealthier cities with stronger fiscal capacity and greater access to EU and national funding are generally better positioned to combine environmental investment with social protection. Cities with limited resources may have to prioritise immediate needs and implement projects incrementally.

Dependence on short-term project funding can also encourage cities to focus on individual interventions rather than developing long-term integrated strategies.

The housing market is another critical factor. In cities experiencing strong population growth and housing demand, climate-related investment can increase the attractiveness and market value of neighbourhoods. Without affordability protections, improvements in public transport, green infrastructure or building quality may contribute to displacement. Consequently, climate adaptation cannot be considered socially inclusive simply because it improves environmental conditions. The distribution of costs and benefits must also be considered.

Governance capacity and institutional leadership therefore become central explanatory variables. Cities with strong administrative capacity may be better able to coordinate departments, secure external funding, monitor social impacts and design complementary policies. Political leadership can also facilitate cooperation between actors that traditionally operate separately. Conversely, fragmented governance, weak metropolitan coordination and limited administrative resources can prevent cities from addressing interconnected problems collectively.

The scale of governance also matters. Climate risks and housing markets frequently operate at metropolitan or functional urban-area scales, whereas many planning and housing decisions remain municipal. This mismatch can make integrated policy difficult. A municipality may invest heavily in climate adaptation while neighbouring municipalities continue development patterns that increase housing pressure or environmental vulnerability. Metropolitan cooperation can therefore be important for

reconciling environmental and social objectives.

Citizen participation is another potential enabling condition. Inclusive participation can help cities identify which communities are most vulnerable to climate risks and housing pressures and can improve the legitimacy of adaptation measures. However, participation does not automatically produce socially equitable outcomes. If disadvantaged groups have limited capacity to participate, participatory processes may reproduce existing inequalities rather than address them.

The central issue is therefore not whether cities recognise climate adaptation, housing affordability and social inclusion as important objectives. Increasingly, they do. The more significant question is whether cities have the institutional, financial and governance capacity to implement these objectives together. Where such capacity exists, climate adaptation can generate social co-benefits through energy-efficient housing, affordable resilient neighbourhoods, accessible green infrastructure and improved public services. Where it is absent, climate interventions may remain sectoral and can potentially intensify existing housing and social inequalities.

This leads to an important research proposition:

Cities are more likely to balance climate adaptation, housing affordability and social inclusion when they possess strong governance capacity, integrated planning mechanisms, adequate financial resources and effective multi-level coordination. Where these conditions are absent, climate adaptation is more likely to be implemented through sectoral or project-based interventions that may produce trade-offs with housing affordability and social inclusion.

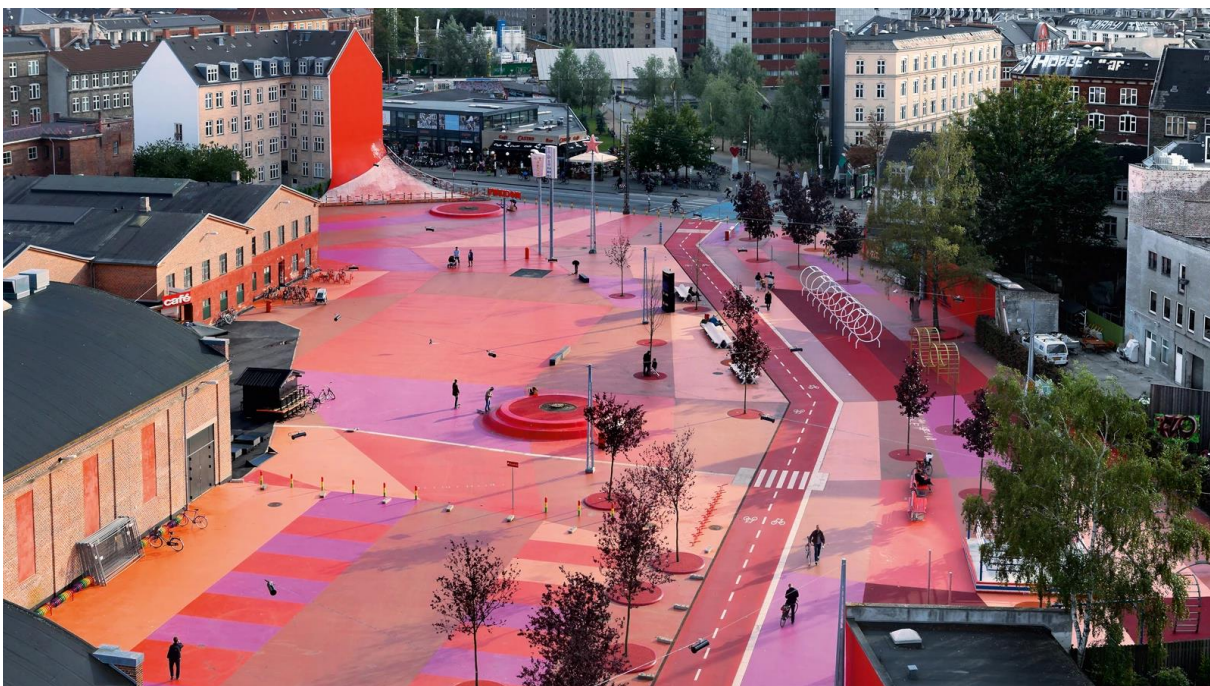


Figure Integration A la Russe

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## 7. From Policy Design to Measurable Urban Outcomes: The Implementation Gap

A persistent limitation in the literature on urban policy concerns the uneven connection between policy formulation, policy implementation and measurable urban outcomes. It would be inaccurate to suggest that urban studies has neglected implementation altogether. On the contrary, an increasingly substantial body of scholarship has examined the institutional arrangements, governance processes, actor configurations and mechanisms through which urban policies are translated into practice. Research published in *Urban Studies*, for example, has examined how social sustainability is operationalised through urban development processes and how governance arrangements shape the implementation of policy objectives at the project and neighbourhood levels. This literature represents an important movement away from an exclusive concern with policy design towards a more process-oriented understanding of urban governance. Nevertheless, a significant analytical gap remains between understanding how policies are implemented and establishing whether, and under what conditions, implementation produces measurable improvements in urban outcomes.

This distinction is particularly important in the context of European urban policy. The European Union has developed an increasingly sophisticated architecture of urban governance encompassing the Urban Agenda for the EU, the New Leipzig Charter, Cohesion Policy, the European Green Deal and a range of urban partnerships, funding instruments and knowledge networks. Considerable attention has been devoted to the institutional design of these instruments, the distribution of responsibilities between European, national, regional and local authorities, and the participation of cities and stakeholders in policy formulation. There is consequently a relatively well-developed literature concerning multi-level governance, policy coordination, institutional capacity and participatory governance. What remains less systematically established is the extent to which these arrangements affect the substantive conditions of European cities.

The distinction between policy outputs and policy outcomes is therefore central. Outputs may include the production of urban strategies, action plans, funding programmes, partnership recommendations, planning instruments, knowledge platforms and governance arrangements. These are important indicators of institutional activity, but they do not necessarily demonstrate policy effectiveness. An urban authority may adopt the principles of integrated development, climate neutrality or social inclusion without producing significant changes in housing affordability, social inequality, carbon emissions, accessibility, resilience or territorial cohesion. Similarly, participation in an Urban Agenda Partnership may generate policy recommendations and strengthen transnational learning without necessarily altering national legislation, funding allocations or local investment decisions. The existence of policy activity should therefore not be conflated with the achievement of policy objectives.

This creates a particularly important challenge for evaluating the Urban Agenda for the EU and the New Leipzig Charter. Both frameworks are characterised by relatively soft forms of governance. They rely heavily upon coordination, voluntary cooperation, policy learning, peer exchange and the mobilisation of actors across different levels of government. Such mechanisms can be valuable in overcoming the fragmentation inherent in European urban governance, but their non-binding character makes causal attribution difficult. Where an urban outcome improves, it may be difficult to establish whether the change resulted from an EU initiative, Cohesion Policy investment, national policy, municipal intervention, market dynamics or some combination of these factors. Conversely, where implementation is weak, it is equally difficult to determine whether the problem lies in the design of the EU framework, inadequate funding, national institutional arrangements, local administrative capacity or political priorities.

The literature consequently reveals a vertical and horizontal implementation problem. Vertically, European policy objectives must travel through multiple institutional levels—from the European Union to Member States, regions and cities before ultimately affecting neighbourhoods and citizens. At each stage, policy objectives may be reinterpreted, prioritised differently or constrained by institutional and financial capacities. Horizontally, urban policies cut across sectors that are frequently governed separately. Climate adaptation, housing, transport, economic development and social inclusion may each have distinct institutions, budgets and performance indicators. The result can be a significant divergence between the integrated policy ambitions articulated at EU level and the sectorally fragmented practices through which those ambitions are implemented locally.

This problem is particularly evident when considering the relationship between climate adaptation, housing affordability and social inclusion. A climate-oriented urban intervention may improve environmental quality and resilience while simultaneously increasing land values and housing costs. A regeneration programme may improve the physical condition of a neighbourhood but contribute to displacement. Conversely, an affordable-housing programme may protect vulnerable households while failing to address the energy inefficiency or climate vulnerability of the housing stock. These examples demonstrate that urban policy outcomes cannot be evaluated solely according to the achievement of individual sectoral targets. The relevant question is increasingly whether cities can generate integrated outcomes in which environmental, economic and social objectives are achieved simultaneously.

The implementation gap is therefore also a question of distribution. Aggregate urban indicators may suggest that a city has improved its environmental performance, housing stock or economic competitiveness, while concealing substantial differences between neighbourhoods and social groups. An assessment of policy effectiveness must consequently consider not only whether an intervention produces an outcome, but for whom, where and

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at what cost. This is particularly relevant to the EU's cohesion objective, which is concerned not simply with aggregate economic or environmental performance but with reducing territorial and social disparities. An urban intervention that improves the competitiveness of a metropolitan core while increasing exclusion in peripheral or lower-income communities cannot necessarily be regarded as an unqualified success from a cohesion perspective.

A further limitation concerns the comparability of implementation across different urban scales. Much of the empirical literature and many European policy networks concentrate on large metropolitan areas and internationally prominent cities. These cities generally possess greater administrative capacity, technical expertise, financial resources and institutional visibility. Their experiences therefore provide important evidence, but they cannot necessarily be generalised to medium-sized cities and large towns, where administrative resources, fiscal autonomy and access to EU programmes may be substantially different. The result is a potential metropolitan bias in both the evidence base and the implicit models of successful urban governance. Comparative research across different urban scales is consequently necessary to establish whether the institutional mechanisms promoted by EU urban policy operate similarly in different territorial contexts.

The central research gap should therefore not be characterised as an absence of research on implementation. Rather, the more precise gap concerns the insufficient systematic linkage between implementation processes, explanatory conditions and measurable outcomes. Existing scholarship provides important insights into how urban policies are designed, negotiated and implemented, but comparatively less research explains why implementation produces different outcomes across cities and how those differences relate to institutional capacity, governance arrangements, financial resources, political leadership and territorial scale.

This suggests a shift from a predominantly process-oriented evaluation of European urban policy towards an outcome-oriented and explanatory approach. Such an approach would examine the complete policy chain:

European policy framework → governance and funding

arrangements → local implementation → policy outputs → measurable urban outcomes → distributional effects.

Within this framework, implementation is no longer treated as the endpoint of policymaking but as a mediating process through which institutional and financial conditions are translated into urban outcomes. The analytical task is consequently to determine not merely whether cities implement European policy objectives, but why some cities are able to translate those objectives into substantive improvements while others achieve only partial, fragmented or symbolic implementation.

This perspective provides a particularly strong foundation for analysing the Urban Agenda Partnerships. Their effectiveness should not be assessed solely according to the number of partnerships established, recommendations produced or stakeholders engaged. A more demanding assessment would examine whether their activities influence regulation, funding, institutional behaviour and local policy implementation, and ultimately whether these changes contribute to measurable improvements in areas such as climate resilience, housing affordability, social inclusion and territorial cohesion. The critical question is therefore whether the Urban Agenda constitutes primarily a mechanism for policy learning and coordination, or whether it can function as an effective transmission mechanism between European policy objectives and tangible changes in urban conditions.

The unresolved issue can consequently be formulated as follows: under what institutional, financial and governance conditions does the implementation of EU urban policy translate into measurable and socially equitable urban outcomes? Addressing this question would move the literature beyond the assessment of policy intentions and institutional arrangements towards a more rigorous understanding of policy effectiveness, implementation capacity and causal variation across European cities. It would also provide an empirical basis for determining whether the EU's increasingly ambitious urban-policy architecture is capable of closing the gap between European policy commitments and the lived realities of urban development.



## 8. Assessing Whether Participatory Mechanisms Improve Urban Outcomes

A central unresolved question in contemporary urban governance is not whether participation exists, but whether participation matters. Participation matters only when participation changes something: decisions, priorities, implementation, outcomes. Consultation can be consultation, engagement can be engagement, legitimacy can be legitimacy; none, by itself, is impact. The contemporary European policy discourse increasingly presents participation as a fundamental component of integrated, place-based governance, particularly through the New Leipzig Charter and the Urban Agenda for the EU. Yet participation as structure is not participation as influence. A forum can exist, a citizens' assembly can meet, stakeholders can be invited, opinions can be collected, minutes can be written. The process can look participatory while remaining politically untouched. The question therefore becomes more demanding: what changes, who changes it, for whom, under what institutional conditions, with what consequences, over what period?.

Participation begins with participation. Participation begins with people, representation, access, voice. Participation continues through deliberation, deliberation continues through influence, influence continues through decision, decision continues through implementation, implementation continues through outcome. Participation ends where participation becomes measurable change. Or perhaps participation does not end there; participation begins there again, because an outcome can alter the conditions under which the next participation takes place.

### 8.1. From Participation to Outcomes

The first analytical requirement is to distinguish participation as input from participation as process, participation as output from participation as outcome. Input asks who participates: how many, how often, how diverse, how representative, how resourced. Process asks how participation happens: who receives information, who speaks, who is heard, who sets the agenda, who can influence the agenda. Output asks what changes: plans, budgets, regulations, projects, investment priorities. Outcome asks what those changes

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produce: better conditions, different conditions, measurable conditions.

The distinction is simple. The distinction is not simple.

Participation → deliberation → influence → policy change → implementation → urban outcome

The arrow is the argument. The arrow is also the problem. The arrow suggests progression, yet progression cannot be presumed. A city may establish a citizens' assembly and change nothing. A neighbourhood forum may deliberate extensively and influence little. Participatory budgeting may redistribute resources, yet redistribute resources without altering structural inequalities. A consultation may be extensive precisely because its consequences are limited. Participation can therefore be visible at the beginning while becoming invisible at the end.

The central question is consequently whether the chain operates. Does participation become influence? Does influence become decision? Does decision become implementation? Does implementation become outcome? Does outcome become improvement.

An outcome may arrive late. A decision may arrive early. Participation may occur in one year, implementation in another, measurable effects several years later. The evaluator who measures participation immediately may therefore mistake activity for impact, activity for influence, influence for outcome. A sufficiently long time horizon is required not because time automatically creates impact, but because impact requires time to become distinguishable from appearance.

## 8.2. What Constitutes an Improved Urban Outcome?

The second challenge is outcome. Outcome of what? Outcome for whom? Outcome compared with what?

A narrow evaluation may define improvement as administrative efficiency, policy acceptance or institutional legitimacy. These matter. They are not enough. A broader interpretation, consistent with the orientation of the New Leipzig Charter, requires social, environmental, economic and governance outcomes to be considered together, separately, sometimes against each other.

Social outcomes concern inclusion, distribution, access, housing affordability, spatial inequality. Social improvement means more than more participation. More participation can coexist with unequal participation; equal opportunity to speak can coexist with unequal capacity to influence.

Environmental outcomes concern climate adaptation, green infrastructure, energy efficiency, emissions reduction, environmental quality. Environmental improvement can be measurable while participation remains weak. Participation can be strong while environmental improvement remains weak. The two can reinforce each other; they can also diverge.

Economic outcomes concern employment, investment,

innovation, local resilience. Economic improvement can create new opportunities, new opportunities can create new inequalities. Growth can be growth, resilience can be resilience, yet neither automatically means inclusion.

Governance outcomes concern trust, accountability, transparency, legitimacy, institutional learning, coordination across levels of government. These outcomes are less tangible, but not less real. A participatory process may improve trust without immediately improving housing. It may improve coordination without immediately reducing emissions. It may improve legitimacy without immediately changing distribution.

This is precisely why outcome must remain plural. Outcome is not one number. Outcome is not one result. Outcome is a field of results, some material, some institutional, some social, some environmental, some economic. A process may succeed in one field and fail in another. Success, therefore, cannot simply be declared; success has to be located.

## 8.3. The Problem of Causality

The most difficult issue is causality. The most difficult issue is not whether change occurred. The most difficult issue is whether participation caused, contributed to, accelerated, redirected or merely accompanied that change.

Urban outcomes are rarely produced by one variable. Housing affordability is shaped by interest rates, migration, land availability, national regulation, taxation, investment, construction costs. Climate outcomes are shaped by infrastructure, technology, regulation, investment, behaviour, weather. Economic outcomes are shaped by markets, skills, finance, institutions, shocks. Participation enters this crowded field not as the sole cause, but as one possible influence within a field of influences.

It would therefore be analytically weak to observe improved housing conditions after a participatory process and conclude: participation caused the improvement. After is not because of. Change is not causation. Correlation is not contribution. Participation is not proof.

A stronger evaluation asks what participation changed within the wider decision-making system. Did participation introduce a previously absent issue? Did it alter a budget? Did it redirect a project? Did it change a regulation? Did it bring previously excluded knowledge into the decision? Did it accelerate implementation? Did it prevent a harmful intervention? Did it redistribute benefits? Did it change who had influence over what?

The focus consequently shifts from attribution to contribution. The question becomes less "Did participation cause the outcome?" and more "What difference did participation make to the pathway through which the outcome emerged?"

Intended impact and realised results

This distinction is central to participatory governance. Intended

impact describes what participation is expected to achieve. Realised results describe what participation actually achieves. The intended pathway is clear: inclusive participation should create meaningful deliberation; meaningful deliberation should create influence; influence should alter decisions; altered decisions should be implemented; implementation should improve urban conditions; improved conditions should be distributed fairly.

The realised pathway may be less orderly. Participation may be inclusive but powerless. Influence may be substantial but selective. Decisions may change but implementation may fail. Implementation may succeed but outcomes may remain modest. Outcomes may improve but benefits may accrue disproportionately to already advantaged groups.

The evaluation therefore has to follow the whole chain.

### **8.5. Who Participated? Who Influenced? What Changed? What was Implemented? What Improved? Who Benefited?**

The first question concerns inclusion. The second concerns influence. The third concerns decision. The fourth concerns implementation. The fifth concerns outcome. The sixth concerns distribution.

Taken together, these questions transform participation from an activity into an evaluable governance mechanism. The test is no longer whether citizens were present. The test is whether presence became influence, whether influence became action, whether action became improvement, whether improvement became shared benefit.

That is the difference between participatory governance as process and participatory governance as impact.

Participation is the beginning. Participation is the mechanism. Participation is the test. Participation is not the result.

The result is what participation changes.

A rigorous evaluation should therefore compare: cities with participation mechanisms with comparable cities without equivalent mechanisms and, where possible, examine outcomes: before and after participation was introduced.

A particularly strong design would use longitudinal comparative case studies, combining quantitative indicators with qualitative evidence concerning decision-making processes. Where sufficient data exist, quasi-experimental methods such as difference-in-differences could be used to compare changes between participating and non-participating areas.

Measuring the quality of participation  
Participation should not be treated as a binary variable—present or absent. Its quality and intensity matter.

A useful analytical scale could distinguish:  
Information → Consultation → Deliberation → Co-design → Co-decision → Citizen control

This is important because a public consultation in which citizens can comment on an already-designed project is fundamentally different from a process in which residents participate in defining the problem, developing alternatives and allocating resources. The research should therefore measure not simply how many people participated, but how much decision-making power participants possessed.

Who participates?  
A further issue is representativeness. Participatory mechanisms can unintentionally reproduce existing inequalities if participation is dominated by highly educated, wealthier or politically organised groups.

Consequently, the evaluation should examine:  
Who participates?  
Who does not participate?  
Whose preferences influence the final decision?  
Are marginalised groups represented?  
Are participation costs equally distributed?  
This is particularly important for evaluating the New Leipzig Charter's principle of the Just City. Participation cannot automatically be considered socially just if the people most affected by urban policies have the least capacity to participate.

### **8.6. Participation and implementation**

Your research can also make an important distinction between participatory decision-making and participatory implementation.

Citizens may influence the design of a policy but have little influence over its implementation. Conversely, community organisations may play an important role in implementing projects without having participated in their initial design.

A comprehensive assessment should therefore examine the entire policy cycle:  
Agenda-setting → policy formulation → resource allocation → implementation → monitoring → evaluation  
The key question becomes whether participation is maintained throughout the policy cycle or concentrated in an initial consultation phase.

Applying this to EU urban governance  
This framework would be particularly useful for evaluating the Urban Agenda Partnerships and New Leipzig Charter. You could investigate whether cities participating in these mechanisms demonstrate stronger outcomes in areas such as: climate resilience, social inclusion, housing, sustainable mobility, public-space quality and territorial cohesion. However, participation should not automatically be treated as the causal explanation. You would need to examine whether participating cities also possess greater administrative capacity,

financial resources, political leadership or access to EU networks.

This suggests a more sophisticated model:

- Participatory governance
- Governance capacity
  - Financial resources
  - Institutional framework
  - Political leadership

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**Policy influence**

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**Implementation quality**

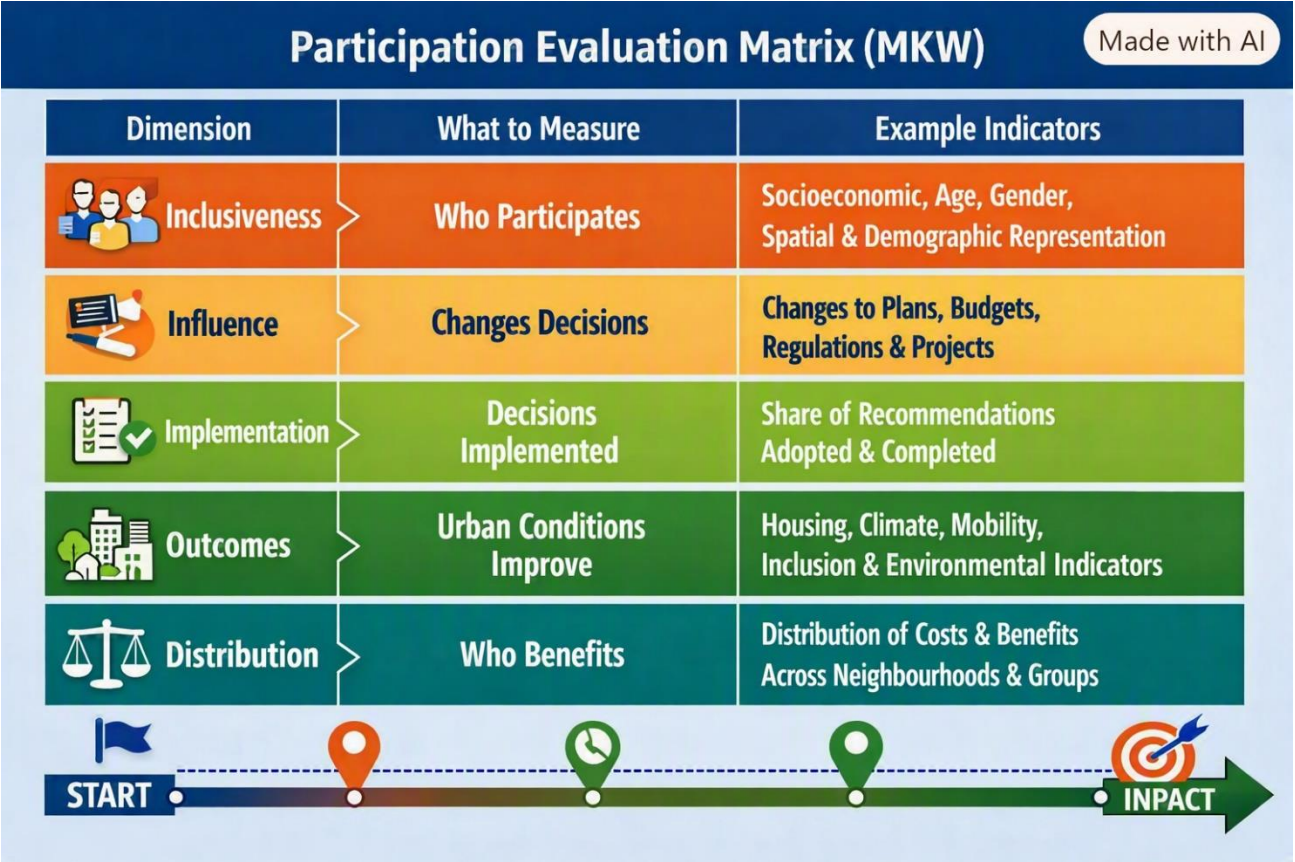
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**Urban outcomes**

This allows participation to be analysed as one explanatory factor among several rather than assuming that participation itself produces better outcomes.

A proposed Participatory Urban Governance Effectiveness Framework

For your research, I would structure the assessment around five dimensions:



The matrix is best understood as a participatory governance impact pathway. It does not simply ask whether people participated. It asks whether participation was inclusive, influential, implemented, and ultimately translated into better and more fairly distributed urban outcomes.

**8.7. How the Framework Works**

The logic starts with participation and follows what happens to that participation through the decision-making process. The five dimensions in the matrix are therefore not separate measures; they form a connected pathway.

**Inclusiveness → Influence → Implementation → Outcomes → Distribution**

The first question is who participates. The second is whether

participation makes a difference to decisions. The third is whether those decisions are actually implemented. The fourth asks whether implementation produces improvements in urban conditions. The fifth asks who actually benefits from those improvements and whether costs and benefits are fairly distributed.

This makes the framework particularly relevant to participatory governance, because participation is treated as a means of shaping public decisions and outcomes rather than as an end in itself.

**8.8. Intended Impact**

The intended impact represents what the participatory process is designed to achieve.

At the beginning, the intention is to create a governance process

in which different groups, neighbourhoods and stakeholders have meaningful opportunities to participate. The aim is not simply to increase the number of participants, but to ensure that participation reflects the diversity of the population and includes groups that might otherwise have limited influence.

This creates the first intended effect: more inclusive decision-making.

The next intended effect is that participation should influence decisions. Ideas, priorities, concerns and recommendations expressed through the process should have a visible relationship with plans, budgets, regulations, programmes or projects. In other words, participation should have a traceable route into actual decision-making.

The third intended effect is implementation. Decisions influenced through participation should not remain commitments on paper. They should result in actions, investments, programmes, reforms or projects.

The ultimate intended impact is then improved urban conditions, for example better housing, mobility, climate resilience, environmental quality, social inclusion or neighbourhood conditions.

The final dimension adds an important equity perspective: who benefits from the change? A participatory process may produce an apparently successful project while its benefits remain concentrated among already advantaged groups. Distribution therefore tests whether the impact is broadly shared and whether disadvantaged communities also benefit.

### 8.9. From Participation to Realised Results

The distinction between intended impact and realised results is particularly important.

The intended impact is the theory of change: *if we create inclusive participation, participation should influence decisions; if decisions change, they should be implemented; and if implementation is effective, urban conditions should improve fairly.*

The realised result is the evidence that this actually happened.

For example, a partnership might intend to improve housing policy through participatory governance. The process could successfully involve tenants, municipalities, housing organisations and community groups. That demonstrates inclusiveness, but it does not yet demonstrate impact.

If the participants' recommendations subsequently lead to changes in a housing strategy, funding allocation or regulation, there is evidence of influence.

If those changes are then translated into an implemented housing programme or investment, there is evidence of implementation.

If the programme subsequently produces measurable improvements in housing affordability, quality or access, there is evidence of an

outcome.

If those improvements reach lower-income neighbourhoods and groups that previously experienced poorer housing conditions, the framework can demonstrate distributional impact.

### 8.10. The Key Distinction

The matrix therefore separates **participation from impact**.

Participation is the starting condition. It answers:

**Who was involved?**

Governance influence answers:

**Did their participation change decisions?**

Implementation answers:

**Were those changed decisions acted upon?**

Outcomes answer:

Did those actions improve conditions?

Distribution answers:

**Who gained from the improvements, and were the benefits fairly distributed?**

This is a much stronger approach than measuring participation simply through attendance numbers, meetings held or stakeholders consulted.

### 8.11. What the Timeline Means

The timeline at the bottom of the graphic reinforces this logic. **START** represents the participatory process. The stages along the pathway represent the movement from participation towards impact, while **IMPACT** represents the point at which changes become visible in the real world.

The important point is that **impact cannot automatically be assumed from participation**.

A process can be highly inclusive but have little influence. Decisions can be influenced but never implemented. Programmes can be implemented without producing meaningful improvements. Improvements can occur while being distributed unevenly.

The framework therefore allows an evaluator to identify **where the impact chain succeeds or breaks down**.

### 8.12. A Stronger Formulation for the Framework

The underlying theory could be expressed as:

**Inclusive participation creates the potential for influence. Influence creates the potential for implementation. Implementation creates the potential for improved outcomes. Equitable implementation determines how those outcomes are distributed.**

This makes the framework a useful **participatory governance evaluation model** because it measures not only whether citizens and stakeholders were involved, but whether their involvement generated **institutional influence, concrete action, measurable outcomes and equitable benefits**.

The ultimate test is therefore not “Did people participate?” but:

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**“Did participation change decisions, did those decisions change practice, and did that change produce measurable and fairly distributed improvements?”**

This would allow you to construct an empirical chain from participation to measurable outcomes rather than simply assessing whether participatory mechanisms exist.

The research gap

The strongest formulation of the gap would therefore be:

Although participatory governance has become an established principle of European urban policy, there remains limited systematic comparative evidence demonstrating whether and under what conditions participatory mechanisms translate into improved urban outcomes. Existing research provides substantial evidence concerning participation processes, institutional arrangements and democratic legitimacy, but less evidence connects the degree and quality of citizen influence to measurable changes in social, environmental, economic and spatial conditions. In particular, insufficient attention has been given to whether participation produces equitable outcomes across different types of European cities and whether its effects are mediated by governance capacity, financial resources and institutional context.

This is a much stronger gap than saying simply that there is "limited evidence on participation." The question becomes effectiveness, and effectiveness can be empirically tested.

The ultimate question is therefore not “Do cities involve citizens?”, but:

“Does meaningful participation change what cities do, how they implement it, and ultimately what happens to urban residents and places?”

That distinction provides a rigorous bridge between participatory

governance theory and measurable urban policy effectiveness.

## **9. Urban–Rural Misalignment and the Lessons of Civilizational Collapse**

Throughout history, major civilizations have rarely collapsed because of a single problem. More often, collapse emerged when several pressures reinforced one another: economic inequality, political polarization, fiscal weakness, environmental stress, warfare, demographic change, and declining trust in institutions. One particularly important pattern appears when there is a growing misalignment between cities and the countryside.

Cities often become centers of political power, administration, finance, culture, and consumption, while rural regions remain responsible for much of the food, raw materials, land, energy, and taxation that sustain the wider society. When these two parts of society become economically or politically disconnected, tensions can accumulate. Rural populations may feel exploited or ignored, while urban populations may become increasingly dependent on systems of production and distribution that they no longer understand or control.

History therefore suggests that the important question is not whether a society is urban or rural. It is whether its different regions and social groups remain economically connected, politically represented, and mutually invested in the survival of the same system.

The historical examples below illustrate this pattern. In none of these cases should urban–rural tension be treated as the sole cause of decline. Rather, it interacted with other stresses and sometimes helped transform manageable problems into crises of legitimacy, governance, and ultimately political fragmentation.

| Civilization or state            | Urban–rural or regional misalignment                                                                                                                                               | Other pressures that intensified the problem                                                        | Consequences                                                                       |
|----------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|
| <b>Late Roman Republic</b>       | Wealth and land became increasingly concentrated while many small farmers struggled; Rome's growing urban population became dependent on grain supplies and political patronage    | Elite competition, military expansion, debt, inequality, institutional breakdown and civil conflict | The Republic became increasingly unstable and eventually gave way to imperial rule |
| <b>Western Roman Empire</b>      | Central authority increasingly struggled to maintain a balanced relationship with provinces, rural producers and powerful regional elites                                          | Tax pressure, military threats, economic disruption, regional autonomy and weakening state capacity | Imperial authority fragmented and disappeared from much of Western Europe          |
| <b>Han China</b>                 | Large landowners accumulated land while many peasants became indebted or displaced, creating severe tension between powerful elites and rural populations                          | Taxation, corruption, famine, political factionalism and military pressures                         | Major rebellions and regional fragmentation contributed to the fall of the Han     |
| <b>Late Tang China</b>           | Rural populations faced fiscal and social pressures while regional military commanders accumulated increasing autonomy from the central government                                 | Rebellion, war, fiscal problems and weakening central institutions                                  | Central authority weakened and China entered a prolonged period of fragmentation   |
| <b>Classic Maya civilization</b> | Powerful urban centers depended heavily on agricultural hinterlands for food and resources, while competition among cities placed increasing pressure on the surrounding landscape | Drought, warfare, environmental stress, elite competition and political fragmentation               | Many major southern lowland cities declined or were abandoned                      |

|                                |                                                                                                                                                                            |                                                                                                           |                                                                                |
|--------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------|
| <b>Khmer Empire and Angkor</b> | A highly concentrated urban and monumental system depended upon extensive agricultural production and sophisticated water infrastructure                                   | Environmental changes, hydraulic-system pressures, political instability and changing trade networks      | Angkor's dominance declined and the political center shifted                   |
| <b>Mughal Empire</b>           | Increasing fiscal extraction and growing power of regional elites created tensions between imperial authority, local rulers and agrarian populations                       | Military competition, fiscal weakness, succession struggles and regional independence                     | Central authority weakened and the empire fragmented                           |
| <b>Ancien Régime France</b>    | Political privilege was concentrated among elites while much of the rural population carried significant fiscal burdens; urban and rural grievances increasingly converged | State debt, food-price crises, inequality, political paralysis and institutional distrust                 | The fiscal and political crisis contributed to the French Revolution           |
| <b>Qing China</b>              | Rapid population growth and rural economic pressures placed increasing strain on the relationship between the state, local elites and agricultural communities             | Tax problems, corruption, foreign pressure, famine, regional rebellions and administrative weakness       | Massive rebellions weakened the dynasty and severely reduced central authority |
| <b>Russian Empire</b>          | The enormous rural population had profound grievances over land and political representation while industrial cities experienced intense labor unrest                      | World War I, food shortages, military failures, economic disruption and political paralysis               | The imperial regime collapsed in 1917                                          |
| <b>Soviet Union</b>            | Economic and political power was heavily centralized while different republics and regions developed increasingly distinct economic and national interests                 | Economic stagnation, institutional rigidity, nationalist movements, fiscal pressures and political reform | The Soviet political system fragmented and the Union dissolved                 |

### 9.1. What the Historical Pattern Really Suggests

The lesson is not that cities cause collapse, nor that rural societies are inherently more stable. Highly urbanized civilizations can remain remarkably resilient, while predominantly rural societies can collapse rapidly.

The deeper issue is misalignment.

A society becomes more vulnerable when the people who produce essential resources, the people who control capital, and the people who exercise political power increasingly live in different economic and social worlds.

This becomes especially dangerous when geographical differences turn into political identities. A disagreement over taxation can become a conflict between regions. A dispute over agricultural policy can become a conflict between countryside and capital. Economic decline can become a belief that one group is deliberately benefiting at another group's expense.

At that point, material problems begin to produce problems of legitimacy and identity.

Another recurring historical pattern is the weakening of the connection between producers and the institutions that depend upon them. Rural populations can become politically alienated when they believe that governments extract resources from them without adequately representing their interests. Conversely, urban populations can become vulnerable when they depend upon complex agricultural, energy, transport and supply networks while becoming increasingly detached from their functioning.

This creates a dangerous paradox: the more interconnected a civilization becomes economically, the more damaging political disconnection can become.

### 9.2. What to Pay Attention to

The most useful historical warning signs are not simply poverty, inequality or urbanization by themselves. Those conditions have existed in many successful societies.

The more significant warning signs are the combinations.

Pay attention when regional economic differences become persistent and politically charged. Pay attention when people increasingly describe their country as consisting of competing territories rather than a shared society. Pay attention when rural regions believe that the capital takes from them while urban regions believe that rural populations receive more than they contribute.

Pay attention when essential workers and producers feel economically undervalued while financial and political elites appear increasingly insulated from the consequences of failure. Pay attention when the state becomes unable to maintain infrastructure, collect taxes fairly, provide basic services or respond effectively to regional problems.

Food, energy, housing and transportation deserve particular attention because disruptions in these systems can transform economic grievances into political crises very quickly.

Institutional trust is perhaps even more important. A society can survive substantial inequality and disagreement if its citizens still believe that institutions can resolve conflicts fairly. It becomes much more fragile when opposing groups conclude that political

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institutions are permanently captured by the other side.

The most dangerous stage is therefore not necessarily disagreement, but the belief that disagreement can no longer be resolved within the existing system.

### 9.3. The Central Historical Lesson

The strongest civilizations were not necessarily those without inequality, regional differences or conflict. They were societies that possessed mechanisms for absorbing those differences without allowing them to destroy the relationships holding the system together.

The critical connections are between cities and countryside, producers and consumers, taxpayers and government, regions and the central state, elites and ordinary citizens, and present economic decisions and long-term infrastructure.

When these relationships remain reciprocal, societies can experience enormous shocks without collapsing.

When they become extractive, distrustful and politically polarized, relatively ordinary shocks can become catalysts for much larger crises.

The historical lesson is therefore less about predicting a dramatic moment of "collapse" and more about recognizing the gradual erosion of social reciprocity, institutional legitimacy, regional balance and state capacity.

Civilizations tend to become vulnerable when too many groups begin to believe that they are carrying the costs of a system from which someone else receives the benefits.

That is the pattern worth watching.

## 10. Urban–Rural Interdependencies and the Governance of Functional Territories

Urban and rural areas should no longer be conceptualised as distinct or competing territorial categories. Across Europe, they constitute increasingly interconnected functional systems in which people, capital, goods, services, knowledge, infrastructure and environmental resources circulate across administrative boundaries. The significance of these relationships extends well beyond conventional distinctions between urban and rural development: the prosperity, resilience and social cohesion of cities increasingly depend upon the economic, environmental and infrastructural assets of their surrounding territories, while rural and peripheral communities depend heavily upon urban centres for employment, specialised services, markets, education and connectivity.

At the core of this relationship are functional labour markets and mobility systems. Employment, commuting and economic activity frequently extend across municipal and even regional boundaries. Urban centres provide concentrations of employment

and specialised economic opportunities, while surrounding towns and rural areas provide housing, labour and increasingly flexible locations for economic activity. Transport networks consequently constitute a critical connective infrastructure, determining the extent to which rural populations can access urban employment, education, healthcare and other essential services. The challenge is particularly acute where declining public transport provision and high dependence on private vehicles generate forms of spatial and mobility inequality.

Housing markets provide another important urban–rural linkage. Rising housing costs in metropolitan areas can displace households and economic activity towards peripheral towns and rural municipalities, thereby extending metropolitan housing markets beyond their traditional administrative boundaries. This process can generate new development opportunities but can also produce land-use pressures, suburbanisation, loss of agricultural land and increasing housing costs in previously affordable rural communities. Housing affordability should therefore increasingly be understood as a functional-regional rather than exclusively municipal issue.

The relationship is equally significant in relation to food, energy and resource systems. Rural territories provide agricultural production, renewable energy, water resources, raw materials and land for infrastructure upon which urban populations depend. The green transition has intensified these interdependencies. Cities are major consumers of energy and resources, while rural areas frequently accommodate renewable-energy installations, electricity infrastructure, agricultural production and environmental assets. This raises important questions of territorial justice, particularly where the environmental and spatial costs of infrastructure are concentrated in rural communities while the economic and consumption benefits accrue disproportionately to urban populations.

The environmental relationship between urban and rural territories is particularly profound. Rural areas provide ecosystem services that support urban resilience, including water regulation, carbon sequestration, biodiversity protection, food production, flood mitigation and recreational landscapes. Urban development, meanwhile, generates pressures on surrounding ecosystems through land consumption, pollution, infrastructure expansion and resource demand. Climate adaptation therefore cannot be effectively understood within municipal boundaries alone. Watersheds, ecological corridors, agricultural systems and climate risks frequently operate across functional territories, requiring forms of governance capable of coordinating environmental action between cities and their surrounding regions.

Urban–rural interdependence is also evident in the provision and accessibility of public services. Rural populations often rely upon nearby towns and cities for specialised healthcare, higher education, cultural institutions, administrative services and other facilities that cannot be sustained at every settlement level.

Intermediate and small towns consequently perform a crucial service-hub function, connecting dispersed rural populations to wider regional systems. The relevant policy question is therefore not simply where services are physically located, but whether populations across the functional territory have equitable and affordable access to them.

Economic and knowledge relationships further reinforce these connections. Universities, research institutions, specialised firms and innovation ecosystems are frequently concentrated in urban centres, while rural enterprises increasingly participate in regional, national and European markets through digital technologies and improved connectivity. Tourism creates another form of interdependence, linking urban demand with rural landscapes, cultural assets and recreational economies. These relationships can stimulate diversification and investment but can also generate seasonal employment, environmental pressures, second-home development and housing-market distortions.

Less visible, but equally important, are the metabolic linkages through which cities depend upon surrounding territories for waste management, wastewater treatment, resource extraction, food production and other essential functions. Urban consumption generates material and environmental flows that extend well beyond the city itself. Understanding these flows reveals the extent to which urban prosperity is embedded within wider territorial systems and challenges conventional approaches that treat the city as a self-contained policy unit.

The most fundamental challenge, however, is one of governance. The functional geography of contemporary urban–rural systems rarely corresponds to the administrative geography through which public policy is organised. Labour markets, housing markets, transport systems, environmental risks, food systems and infrastructure networks operate across municipal and regional boundaries, while planning, taxation, investment and service provision remain distributed among different levels of government. This creates a persistent functional–institutional mismatch: the problems are metropolitan or regional in scale, but the authority and resources required to address them remain fragmented.

This mismatch has important implications for European territorial cohesion. Policies designed separately for cities and rural areas may inadvertently reinforce rather than resolve existing territorial inequalities. A more integrated approach would recognise that urban competitiveness, rural development, environmental sustainability and social cohesion are mutually dependent dimensions of a single territorial system. EU policy therefore needs to move beyond an urban–rural dichotomy towards a framework based on functional territories, territorial interdependence and shared governance.

The central policy challenge is consequently not simply to strengthen either urban or rural areas independently, but to develop institutional mechanisms capable of governing the relationships between them. This implies greater attention to metropolitan and regional cooperation, functional labour markets, integrated

transport, housing systems, ecosystem services, food and energy networks, shared infrastructure and equitable fiscal arrangements. It also requires greater recognition of the role of intermediate towns as connective institutions between metropolitan centres and rural territories.

For EU urban governance, this suggests a broader conceptual shift: **The relevant unit of territorial policy should not always be the municipality, the city or the rural locality, but the functional territory within which economic, social, environmental and infrastructural interdependencies actually occur.**

Such a perspective would strengthen the implementation of the New Leipzig Charter, Cohesion Policy and the European Green Deal by connecting urban transformation to the wider territories upon which cities depend. It would also provide a stronger foundation for a genuinely integrated model of European territorial governance—one in which urban and rural development are understood not as separate policy domains, but as interdependent components of a shared European territorial system.

## 11. Towards a Balanced European Urban Governance Model

### 11.1. Towards a Cooperative Model of Metropolitan Governance

A sustainable approach to European urban governance requires a **new model of cooperative metropolitan governance** capable of reconciling European objectives with national sovereignty and local territorial realities. Such a model should not seek to transfer powers away from Member States or impose a uniform institutional architecture across highly diverse European urban systems. Rather, it should establish mechanisms through which responsibilities are **distributed according to the principles of capacity, proximity, subsidiarity and functional relevance**. The objective should be to ensure that decisions are taken at the level most capable of addressing a particular problem, while maintaining sufficient coordination across territorial and administrative boundaries.

The underlying principle could be expressed as a differentiated division of responsibilities: **Europe provides strategic vision, common standards, knowledge and resources; Member States provide democratic legitimacy, institutional coordination and the national regulatory framework; metropolitan regions provide implementation, experimentation and policy innovation**. This arrangement would recognise that the European Union is uniquely positioned to establish common objectives and mobilise financial and technical resources, while national governments remain essential to the democratic and constitutional legitimacy of territorial policy. Metropolitan authorities, meanwhile, are often best placed to translate broad European and national objectives into integrated responses to functional urban challenges such as housing, mobility, climate adaptation, infrastructure and spatial inequality.

Such a model would also address one of the fundamental weaknesses of contemporary European urban governance: the **mismatch between administrative boundaries and the functional**

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**geography of cities.** Metropolitan economies, housing markets, transport systems, environmental risks and labour markets routinely extend beyond individual municipal boundaries. Yet many policy responsibilities remain fragmented among municipalities, regions and national authorities. Cooperative metropolitan governance would provide an institutional mechanism for addressing these functional interdependencies without requiring the creation of a new supranational layer of government.

Within this framework, an **EU Centre of Excellence in Metropolitan Governance** could provide an important supporting function. Rather than operating as a new regulatory authority or competing with national and regional governments, such a centre could serve as a **neutral European platform for knowledge, comparative evaluation, institutional learning and cooperation.** Its role could include developing common methodologies and indicators, evaluating metropolitan governance arrangements, facilitating peer learning between cities and regions, identifying effective practices, supporting capacity building and providing independent evidence for EU urban-policy development.

The Centre could also contribute to overcoming the current fragmentation of European urban knowledge. At present, information concerning metropolitan governance, urban investment, climate adaptation, housing, mobility and social inclusion is dispersed across European institutions, Member States, research organisations and individual cities. A common institutional platform could consolidate this knowledge while preserving the diversity of national and metropolitan governance models. Its legitimacy would therefore derive not from exercising hierarchical authority, but from **independence, expertise, transparency and its capacity to facilitate cooperation.**

Such an institution could further strengthen the connection between **evidence and policymaking.** Rather than prescribing a single European model of metropolitan governance, it could establish comparative benchmarks through which metropolitan regions could assess their own institutional capacity, policy integration and performance. This would allow European cities to learn from one another while recognising that effective metropolitan governance may take different institutional forms in different Member States.

The proposed model is consequently not one of centralisation, but of coordinated empowerment. The EU would provide the strategic framework and resources necessary to address challenges whose scale exceeds individual cities; Member States would retain their constitutional and political responsibilities while facilitating coordination across territorial levels; and metropolitan regions would gain greater capacity to implement, experiment and innovate. The purpose would be to transform European urban governance from a predominantly hierarchical relationship between levels of government into a more reciprocal system of shared responsibility.

The fundamental principle can therefore be stated succinctly: **Europe provides vision, standards, knowledge and resources; Member States provide legitimacy, coordination and enabling**

**frameworks; metropolitan regions provide implementation, experimentation and innovation.**

Such an arrangement would strengthen the capacity of European urban governance to respond to climate change, housing pressures, social inequality and territorial fragmentation while respecting the diversity of Member State institutional systems. More importantly, it would create a governance architecture in which responsibility is matched with capacity, reducing the persistent gap between the level at which European urban problems are experienced and the level at which the authority and resources necessary to address them are available.

## 11.2. Summary

The relationship between urban public policy and EU institutional design reflects the broader challenge of European integration: how to achieve collective action while preserving national sovereignty. The resistance of some Member States comes from legitimate concerns about democratic accountability, constitutional authority, and political influence. However, attempts to block or weaken European urban cooperation risk reducing Europe's ability to address challenges that are increasingly metropolitan in nature.

The EU has no direct competence over urban policy, so its influence on cities runs through indirect, cooperative channels rather than binding law. The main vehicles are the EU Agenda for Cities and the Urban Agenda for the EU, both built on voluntary, multilevel cooperation rather than legislation. These frameworks bring together the European Commission, member states, regions, and city authorities in shared thematic partnerships. Each partnership tackles a policy area — housing, digital transition, climate adaptation, air quality — and produces recommendations rather than rules. Cities participate as partners in principle, but their formal weight in EU decision-making remains limited compared to member states.

Coordination happens mainly through political dialogue: meetings, action plans, and non-binding reports rather than enforceable commitments. Funding for urban priorities is spread across multiple instruments — cohesion policy, the Recovery and Resilience Facility, Horizon Europe, and others. This fragmentation means cities often must navigate several funding streams with different rules just to pursue one coherent local strategy. A single information platform has emerged as an attempt to simplify access to these scattered opportunities. But the platform addresses visibility, not the underlying complexity of eligibility criteria and administrative procedures themselves.

Subsidiarity remains a structural constraint: the EU can convene and encourage, but implementation depends on member states and local authorities. This creates a persistent gap between EU-level ambition and the administrative and financial capacity of cities to act on it. Larger, well-resourced cities tend to engage more effectively with these mechanisms than smaller or less-resourced municipalities. The result is uneven benefit: metropolitan hubs often capture more from EU urban initiatives than peripheral or

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shrinking cities. Political weight is another constraint — urban governance sits alongside cohesion policy and regional policy without a dedicated legal base of its own.

Efforts to mainstream the urban dimension into broader EU policymaking have progressed but remain partial and inconsistent across sectors. Cities increasingly ask for a stronger formal voice in shaping EU legislation that affects them, not just implementing it afterward. Advocates frame this as a democratic and practical necessity, since much of EU policy — climate, migration, housing — lands hardest at the local level. Skeptics caution that formalizing a stronger urban role risks adding another layer of governance complexity without matching resources. The trajectory suggests continued incremental deepening of the urban agenda, but a durable shift will require closer alignment between political ambition, funding architecture, and city-level capacity.

In short, urban governance at Commission-level is a peculiar case of *Chinoiserie* with comparable amounts of DG's responsible for disparate aspects of the Urban Agenda, even as discussions are ongoing how to calibrate the EU Center of Excellence, raising questions how both the metropolitan areas and cities and towns are to be emphasised in public policy and the design of the EU-agency that is to service the EU Commission and the urban areas of the European Union. There will be some central guidelines, likely examined out of JRC, whereas unlike in China, the EU agency will concentrate most functions of the DG's that has proliferated. That is to say, this piece takes ownership and outlines the design of the Eu Center of Excellence, an administrative reorganisation the EU Commission must take as its prerogative to make.

## 12. What we Think we know what the EU's Urban Policies do

European cities are now facing a converging set of strategic challenges rather than isolated urban problems. The EU's 2025 Agenda for Cities explicitly identifies housing shortages, high energy costs, climate change, social exclusion, accessibility constraints and poverty, while also stressing competitiveness, innovation, resilience and territorial cohesion. Around 75% of Europeans live in cities, towns and suburbs, making urban government a critical delivery level for European policy.

### 12.1. Strategic Challenges and the Three Levels of Response

The important development is **that the EU increasingly treats cities not simply as beneficiaries of policy but as co-producers of policy**. The Urban Agenda for the EU, launched through the 2016 Pact of Amsterdam, established a multi-level model in which

the Commission, Member States, cities and stakeholders work together on regulation, funding and knowledge.

The EU Cities Mission illustrates the new approach particularly well: participating cities develop Climate City Contracts with citizens and stakeholders, linking climate objectives to concrete measures and investment plans. By October 2025, 103 cities had received the EU Mission Label; the programme is intended to make pioneer cities experimentation and innovation hubs for the wider European urban system.

### 12.2. The Emerging Governance Model

The relationship can therefore be understood as:

**EU → strategic framework, regulation, standards, financing and knowledge**

**Member States → legislation, national investment, redistribution and enabling conditions**

**Cities → integrated territorial implementation, experimentation, service delivery and citizen engagement**

This represents a shift from **hierarchical urban policy to multi-level urban transformation**. The EU increasingly establishes the common direction and financial architecture; Member States provide the institutional and fiscal framework; and cities translate European objectives into **place-specific projects, infrastructures and everyday improvements**. The 2025 EU Agenda for Cities explicitly reinforces this partnership model.

For the cities you are examining—**Athens, Ljubljana, Bucharest, Vienna, Riga, Stockholm, Madrid, Milan, Lyon, Porto, Barcelona, Munich and Prague**—the next useful step is **therefore a cross-tabulation of these strategic challenges against EU instruments, national/MS instruments and specific municipal responses**, showing where the three levels reinforce each other and where governance gaps remain.

The European Commission does not address urban problems through one single programme: it combines Cohesion Policy, Horizon Europe, the EU Cities Mission, the Urban Agenda, transport, energy, housing, digitalisation, social policy, the New European Bauhaus and, increasingly, the **EU Agenda for Cities**.

The Commission's *2025 EU Agenda for Cities: Driving Growth and Prosperity* identifies housing shortages, high energy costs, social exclusion, accessibility, poverty, climate change, competitiveness and resilience among the central urban challenges.

# EU STRATEGIC URBAN CHALLENGES ADDRESSED BY THE EUROPEAN COMMISSION

Comparative overview of 13 European cities across 22 strategic challenge areas



The EU supports cities through an integrated set of initiatives including the EU Green Deal, Cities Mission, Cohesion Policy, Horizon Europe, New European Bauhaus, Urban Agenda for the EU and other sectoral programmes.

| STRATEGIC URBAN CHALLENGES                      | Athens | Ljubljana | București | Wien | Riga | Stockholm | Madrid | Milano | Lyon | Porto | Barcelona | Munich | Prag |
|-------------------------------------------------|--------|-----------|-----------|------|------|-----------|--------|--------|------|-------|-----------|--------|------|
| 1. Climate neutrality & decarbonisation         | >>     | >>        | >>        | >>   | >>   | >>        | >>     | >>     | >>   | >>    | >>        | >>     | >>   |
| 2. Energy efficiency & building renovation      | >>     | >>        | >>        | >>   | >>   | >>        | >>     | >>     | >>   | >>    | >>        | >>     | >>   |
| 3. Sustainable urban mobility                   | >>     | >>        | >>        | >>   | >>   | >>        | >>     | >>     | >>   | >>    | >>        | >>     | >>   |
| 4. Air quality & environmental health           | >>     | >>        | >>        | >>   | >>   | >>        | >>     | >>     | >>   | >>    | >>        | >>     | >>   |
| 5. Climate adaptation & heat resilience         | >>     | >>        | >>        | >>   | >>   | >>        | >>     | >>     | >>   | >>    | >>        | >>     | >>   |
| 6. Water management & flood resilience          | >>     | >>        | >>        | >>   | >>   | >>        | >>     | >>     | >>   | >>    | >>        | >>     | >>   |
| 7. Housing affordability                        | >>     | >>        | >>        | >>   | >>   | >>        | >>     | >>     | >>   | >>    | >>        | >>     | >>   |
| 8. Poverty & social inclusion                   | >>     | >>        | >>        | >>   | >>   | >>        | >>     | >>     | >>   | >>    | >>        | >>     | >>   |
| 9. Urban regeneration                           | >>     | >>        | >>        | >>   | >>   | >>        | >>     | >>     | >>   | >>    | >>        | >>     | >>   |
| 10. Brownfield & post-industrial transformation | >>     | >>        | >>        | >>   | >>   | >>        | >>     | >>     | >>   | >>    | >>        | >>     | >>   |
| 11. Digitalisation & smart-city infrastructure  | >>     | >>        | >>        | >>   | >>   | >>        | >>     | >>     | >>   | >>    | >>        | >>     | >>   |
| 12. AI, data & digital twins                    | >>     | >>        | >>        | >>   | >>   | >>        | >>     | >>     | >>   | >>    | >>        | >>     | >>   |
| 13. Innovation & competitiveness                | >>     | >>        | >>        | >>   | >>   | >>        | >>     | >>     | >>   | >>    | >>        | >>     | >>   |
| 14. Circular economy & resource efficiency      | >>     | >>        | >>        | >>   | >>   | >>        | >>     | >>     | >>   | >>    | >>        | >>     | >>   |
| 15. Biodiversity & urban nature                 | >>     | >>        | >>        | >>   | >>   | >>        | >>     | >>     | >>   | >>    | >>        | >>     | >>   |
| 16. Public space & quality of life              | >>     | >>        | >>        | >>   | >>   | >>        | >>     | >>     | >>   | >>    | >>        | >>     | >>   |
| 17. Culture, heritage & creative economy        | >>     | >>        | >>        | >>   | >>   | >>        | >>     | >>     | >>   | >>    | >>        | >>     | >>   |
| 18. New European Bauhaus / design               | >>     | >>        | >>        | >>   | >>   | >>        | >>     | >>     | >>   | >>    | >>        | >>     | >>   |
| 19. Citizen participation & urban democracy     | >>     | >>        | >>        | >>   | >>   | >>        | >>     | >>     | >>   | >>    | >>        | >>     | >>   |
| 20. Metropolitan governance                     | >>     | >>        | >>        | >>   | >>   | >>        | >>     | >>     | >>   | >>    | >>        | >>     | >>   |
| 21. Urban-rural integration                     | >>     | >>        | >>        | >>   | >>   | >>        | >>     | >>     | >>   | >>    | >>        | >>     | >>   |
| 22. Crisis preparedness & resilience            | >>     | >>        | >>        | >>   | >>   | >>        | >>     | >>     | >>   | >>    | >>        | >>     | >>   |
| € Access to EU investment & finance             | >>     | >>        | >>        | >>   | >>   | >>        | >>     | >>     | >>   | >>    | >>        | >>     | >>   |

## KEY TAKEAWAYS

High convergence across cities: climate, energy, mobility, housing and inclusion are universal priorities.

Some challenges are more acute in certain contexts (e.g. social inclusion in Bucharest, housing in major growth cities).

Digitalisation, innovation and governance are enablers across all urban transitions.

EU investment and integrated instruments are essential to turn strategies into results.

## LEGEND

>> Very high priority / strong EU focus  
> High priority / strong relevance  
— Moderate relevance / context specific  
○ Lower priority / indirect relevance

## MAIN EU INSTRUMENTS SUPPORTING CITIES



Source: European Commission – EU Agenda for Cities (2025), Cities Mission, Cohesion Policy 2021–2027, Horizon Europe, New European Bauhaus.

Note: Overview reflects general strategic relevance as of May 2025.

## 12.3. The Most Important Finding

There is a striking convergence across the thirteen cities. The EU's urban agenda is moving away from treating individual problems—transport, energy, housing, environment—as separate sectors and towards **integrated urban transformation**.

The Cities Mission is particularly important because its Climate City Contracts combine **energy, buildings, waste, transport, investment, governance and citizen participation** rather than treating decarbonisation as a single environmental policy.

Indeed, **12 of your 13 cities are directly represented in the EU Cities Mission/mission-label architecture**. Athens, Ljubljana, Riga, Stockholm, Madrid, Milan, Lyon, Porto, Barcelona and Munich have received Mission Labels; Bucharest is represented **through Bucharest 2nd District**, while Prague is currently not among the labelled cities.

This is analytically important: **Prague should not be coded as "no EU urban policy."** Rather, it is a useful *control* case for comparing a major European city whose urban transformation is supported through other EU instruments but which is not itself a labelled Cities Mission city.

## 12.4. City Profiles Emerging from the Cross-Tab

**Athens — climate resilience + regeneration.**

The central combination is heat, energy, air quality, mobility, social vulnerability and regeneration. Athens is now a Mission city, with the EU framework providing a mechanism for integrating these challenges into a climate-neutrality strategy.

**Ljubljana — green integrated city.**

Ljubljana represents perhaps the strongest combination of green infrastructure, sustainable mobility, compact urbanism, biodiversity, digitalisation and climate neutrality. It received the Mission Label in 2024.

**București — infrastructure + energy + inclusion.**

Bucharest is a more difficult transformation case: transport congestion, building energy performance, air pollution, fragmented governance and social inequalities intersect. The important qualification is that the Mission Label concerns **Bucharest 2nd District**, not automatically the entire metropolitan municipality.

**Wien — housing + mobility + climate adaptation.**

Vienna is distinctive because affordable housing, public transport, urban planning and climate adaptation form a relatively integrated urban model. Vienna is therefore an important comparator even though it does not appear in the Mission Label list. EU climate-adaptation work has, for example, examined Vienna's green public-transport infrastructure and cooling effects.

**Riga — post-industrial transformation + climate neutrality.**

Riga combines decarbonisation with renovation, mobility, urban regeneration, biodiversity and metropolitan connectivity. It received the Mission Label in 2025.

**Stockholm — advanced green/digital city.**

Stockholm is a benchmark case for integrating climate neutrality, clean mobility, energy, digitalisation, circularity and innovation. It was among the first cities to receive the Mission Label in 2023.

**Madrid — metropolitan climate transformation.**

Madrid combines climate neutrality with mobility, air quality, buildings, urban regeneration and metropolitan-scale infrastructure. It was one of the first Mission Label cities.

**Milano — density + mobility + decarbonisation.**

Milan's strategic challenge is the transformation of a dense economic metropolis: buildings, mobility, air pollution, energy, circular economy and urban regeneration are tightly interconnected. Milan received the Mission Label in 2024.

**Lyon — metropolitan ecological transition.**

Lyon provides a particularly useful case for combining metropolitan governance, mobility, buildings, biodiversity, climate neutrality and social inclusion. It received the Mission Label in 2024.

**Porto — regeneration + energy + innovation.**

Porto combines decarbonisation with building renovation, mobility, urban regeneration, social inclusion and innovation. It received the Mission Label in 2024.

**Barcelona — density + housing + climate adaptation.**

Barcelona is particularly important for the interaction between housing affordability, public space, mobility, heat, biodiversity,

tourism pressure and social inclusion. It received the Mission Label in 2024.

**Munich — growth + housing + decarbonisation.**

Munich illustrates the tension between economic success and urban sustainability: housing costs, construction, mobility, energy and land-use pressures coexist with very high innovation capacity. Munich received the Mission Label in October 2025.

**Prag — metropolitan modernisation.**

Prague is especially useful as a comparator because its principal challenges concern transport, housing, energy renovation, digitalisation, metropolitan governance and resilience, without the same Cities Mission positioning as most of the other cases.

**12.5. Towards Execution**

Effective execution starts with clear priorities. We need to focus our resources on the work that has the greatest impact, translate those priorities into concrete actions, assign clear ownership, and continuously track and adjust our progress. First, we need to align on the overall objectives and expected outcomes. Then, we identify the initiatives that will create the most value and impact. Clear priorities help us distinguish between what is critical and what can wait. Each priority should be translated into specific, measurable actions. Ownership must be clear so everyone knows who is accountable for delivery. We should establish realistic timelines and milestones to maintain momentum. Dependencies and potential obstacles need to be identified early. Regular follow-ups help us track progress, address issues, and remove roadblocks. We should remain flexible and adjust priorities when new information or challenges arise. Ultimately, successful execution means turning our strategic priorities into tangible results.

| Core challenges            | Executing on                                                                                  | Commission instruments                                                  |
|----------------------------|-----------------------------------------------------------------------------------------------|-------------------------------------------------------------------------|
| 1. Green transition        | Carbon, energy, buildings, circularity                                                        | European Green Deal, Cities Mission, Horizon Europe, Cohesion           |
| 2. Mobility                | Congestion, public transport, zero-emission mobility                                          | Sustainable & Smart Mobility Strategy, CIVITAS, Cohesion, CEF           |
| 3. Urban resilience        | Heat, flooding, biodiversity, water, disasters                                                | EU Adaptation Strategy, Mission Adaptation, LIFE, Cohesion              |
| 4. Housing & inclusion     | Affordability, poverty, homelessness, segregation                                             | Cohesion Policy, ESF+, ERDF, European Affordable Housing Plan           |
| 5. Innovation city         | AI, digital twins, data, entrepreneurship                                                     | Horizon Europe, Digital Europe, Intelligent Cities Challenge            |
| 6. Place & public sphere   | Public space, culture, heritage, design, participation                                        | New European Bauhaus, Creative Europe, Urban Agenda                     |
| 7. Metropolitan governance | Fragmentation, financing, city-region coordination                                            | EU Agenda for Cities, Urban Agenda, Cohesion Policy, Cities Mission     |
| 8. Health & wellbeing      | Air quality, noise, mental health, active lifestyles, health inequalities, access to services | EU4Health, Horizon Europe, Cohesion Policy, ESF+, European Health Union |

Now that the framework has been pruned down to eight core challenges, it provides a much clearer and more focused strategic structure. The distinction between the core challenges, what needs to be executed on, and the relevant Commission instruments makes the framework both strategic and actionable. The eight areas capture the key dimensions of urban transformation, from the green transition and mobility to housing, innovation, public space, governance, and health and wellbeing.

There is still some natural overlap between areas, particularly between green transition, urban resilience, and health and wellbeing, but this can be managed by clearly defining the scope of each challenge. Innovation City is somewhat different from the other categories, as it is more of an enabling capability than a traditional urban challenge, so it may be worth considering a broader framing such as digital and innovation. Metropolitan governance could similarly be seen as a cross-cutting enabler that

supports the delivery of all the other priorities. Overall, the framework now feels sufficiently focused to move from mapping challenges towards prioritisation and execution. The next step should be to identify which of the eight areas are the highest priorities, where the Commission has the strongest ability to influence outcomes, and which instruments can be mobilised most effectively. This would allow the framework to move from eight broad challenges towards a smaller number of strategic execution priorities with clear actions, ownership, and measurable outcomes.

This is also somewhat closer to where the Commission is heading, douze point. The new **EU Agenda for Cities** explicitly seeks to simplify access to EU support, improve dialogue with cities and create a more integrated framework for sustainable urban development. Let us stratify and differentiate somewhat more:

| Urban Strategic Challenge Matrix <small>Made with AI</small> |                     |          |                           |                  |                       |                  |
|--------------------------------------------------------------|---------------------|----------|---------------------------|------------------|-----------------------|------------------|
| Climate / Energy                                             | Housing / Buildings | Mobility | Competitiveness / Digital | Social Inclusion | Resilience / Security | Urban Governance |
| Athens                                                       | 3                   | 3        | 3                         | 3                | 2                     | 3                |
| Ljubljana                                                    | 4                   | 3        | 4                         | 4                | 4                     | 5                |
| Bucharest                                                    | 2                   | 2        | 3                         | 3                | 2                     | 2                |
| Vienna                                                       | 5                   | 5        | 5                         | 4                | 5                     | 5                |
| Riga                                                         | 3                   | 3        | 3                         | 3                | 2                     | 2                |
| Stockholm                                                    | 5                   | 4        | 5                         | 5                | 5                     | 5                |
| Madrid                                                       | 4                   | 3        | 4                         | 4                | 4                     | 4                |
| Milan                                                        | 4                   | 3        | 4                         | 5                | 4                     | 4                |
| Lyon                                                         | 4                   | 3        | 5                         | 5                | 4                     | 4                |
| Porto                                                        | 4                   | 3        | 4                         | 3                | 3                     | 3                |
| Barcelona                                                    | 5                   | 4        | 5                         | 5                | 4                     | 4                |
| Munich                                                       | 5                   | 4        | 5                         | 5                | 4                     | 5                |
| Prague                                                       | 4                   | 3        | 4                         | 3                | 3                     | 3                |

12.6. Implications for EU Commission

The matrix shows a clear territorial pattern in how European cities absorb EU strategic objectives. Northern and Western cities consistently reach the upper end of the scale, with strong climate, mobility, innovation and governance scores. Stockholm, Munich, Vienna, Lyon and Barcelona form a high capacity group able to implement complex, integrated climate neutrality pathways. Their implication for EU intervention is straightforward: they should be treated as urban laboratories. The EU can use them to test frontier approaches in climate neutrality, digital governance, resilience and social innovation, and then export these models to other cities through Mission Cities, Horizon Europe and the Urban Initiative.

A second group—Madrid, Milan, Porto and Prague—shows solid but uneven performance. They have strong mobility and climate trajectories but more variable housing and governance scores.

These cities are capable of scaling proven solutions but still face coordination challenges. The implication for EU intervention is that support should come in the form of integrated investment packages rather than sectoral funding. The EU should require metropolitan coordination as a condition for major climate, mobility and housing investments, turning these cities into regional “scalers” of best practice.

A third group—Athens, Bucharest and Riga—shows structural constraints. Scores cluster around the lower end of the scale, reflecting infrastructure gaps, governance fragmentation and high exposure to climate and social risks. The implication for EU intervention is that funding alone is insufficient. These cities need long term institutional partnerships with the EU, combining Cohesion and RRF investment with deep governance support, project preparation assistance and metropolitan institution building.

They are “builders”, where the EU must invest in administrative capacity as much as in physical infrastructure.

The matrix also reveals a strong North–South differentiation. Northern cities combine high capacity with strong welfare systems and advanced innovation ecosystems. Southern cities face higher exposure to heat, fires, water stress and social inequality. The implication for EU intervention is that Northern cities should lead frontier experimentation, while Southern cities require Mediterranean specific resilience packages that integrate climate adaptation, social inclusion, public space regeneration and mobility as social policy.

The East–West divide is equally visible. Western cities benefit from mature welfare systems, stable housing frameworks and strong metropolitan governance. Eastern cities show weaker housing systems, fragmented governance and infrastructure deficits. The implication for EU intervention is that Eastern cities need foundational support: modernisation of transport, energy and social infrastructure, combined with governance benchmarks that reward cities for building coordination mechanisms. Western cities, by contrast, should be used as peer mentors within Urban Agenda partnerships and Mission networks.

The Balkan pattern, represented by Athens and Bucharest, shows high vulnerability and fragmented metropolitan governance. The implication for EU intervention is that these cities require multi level governance programmes that link national ministries, metropolitan authorities and municipalities. EU support should combine investment with institutional reform, creating long term city–Commission partnerships rather than short project cycles.

The Baltic pattern, represented by Riga, shows mid range capacity but high exposure to security and infrastructure risks. The implication for EU intervention is that the Baltic region needs a resilience focused approach: critical infrastructure protection, energy security, cyber resilience and regional coordination. Riga can serve as a testbed for integrating climate, security and digital resilience into a single urban strategy.

Across all regions, the matrix points to a single overarching implication: EU urban policy is not too weak, but too uniform, subject to bureaucratic standardisation, something we attribute to task force congestion at the helm. Cities operate in radically different capacity and exposure environments. The EU must differentiate its interventions, treating some cities as laboratories, others as scalars, others as builders, and others as stabilizers. Only a differentiated approach can convert EU objectives into integrated urban investment and visible neighbourhood level outcomes.

We will ignore the interface between the Member States and city halls for the time being. Suffice it to say that this is an important layer of the governance architecture, but it is outside the scope of this exercise. The focus here is therefore on the challenges facing cities, what needs to be executed, and how the Commission’s existing instruments can be mobilised to support delivery. Generally

speaking, the system tends to coordinate, but once it becomes genuinely integrated and coherent, it will take on a different level of effectiveness and impact. The key is to move beyond coordination between separate instruments and actors towards a more joined-up approach, where priorities, implementation and resources reinforce each other.

### 13. Current Organisational Architecture of Urban Governance in the European Union

Urban governance in the European Union is not managed by a single institution or dedicated urban ministry at European level. Instead, it operates through a **multi-level, multi-sectoral governance ecosystem** involving several European Commission Directorates-General, EU institutions, financial bodies, Member State authorities, metropolitan governments, and stakeholder networks. This fragmented but interconnected structure reflects the EU’s limited formal competence in urban policy: cities remain primarily a responsibility of Member States, while the EU influences urban development through cohesion policy, environmental regulation, transport, energy, climate, social inclusion, research, and investment instruments.

The current system is therefore based on **coordination rather than direct control**. The European Commission provides strategic frameworks, funding mechanisms, regulatory incentives, and knowledge platforms, while implementation takes place through national, regional, metropolitan, and local authorities.

#### 13.1. European Commission: The Core Policy Architecture 13.1.1. The Central Coordinating Actor for EU Urban Governance

DG REGIO is the closest equivalent to an EU-level urban governance authority. Although it does not govern cities directly, it provides the main strategic framework through which the EU engages with urban areas.

Its responsibilities include:

- Cohesion Policy and territorial development strategies
- European Regional Development Fund (ERDF) investments
- European Urban Initiative (EUI)
- Implementation of the New Leipzig Charter
- Coordination of the EU Urban Agenda partnerships
- Support for integrated urban development approaches

DG REGIO acts as the institutional anchor for metropolitan governance, urban transitions, territorial cohesion, and multi-level coordination. Its role is primarily to connect European objectives with regional and metropolitan implementation.

**Governance role:** Strategic coordination, funding, territorial integration.

#### 13.1.2. DG ENV — Directorate-General for Environment Environmental regulation as a driver of urban transformation

Urban governance is increasingly shaped by environmental obligations. DG ENV influences cities through European legislation and frameworks related to:

- Air quality standards
- Circular economy policies

- Nature restoration
- Urban wastewater management
- Zero-pollution objectives
- Biodiversity protection

Because cities are responsible for implementing many environmental objectives, DG ENV has become a major actor in shaping urban planning, infrastructure investment, and sustainability strategies.

**Governance role:** Environmental regulation and ecological transition.

### 13.1.3. DG MOVE — Directorate-General for Mobility and Transport

#### 13.1.3.1. Shaping Urban Systems through Mobility Governance

Transport policy strongly influences the organisation and development of metropolitan areas. DG MOVE contributes to urban governance through:

- Sustainable Urban Mobility Plans (SUMPs)
- Urban mobility frameworks
- Clean transport transition policies
- TEN-T network integration
- Metropolitan transport connectivity

Mobility decisions influence housing patterns, economic development, social accessibility, and territorial integration.

**Governance role:** Connecting metropolitan development with transport systems.

### 13.1.4. DG ENER — Directorate-General for Energy

#### 13.1.4.1. Energy Transition as a Metropolitan Governance Challenge

The transformation of cities increasingly depends on energy governance. DG ENER influences urban development through:

- Energy efficiency legislation
- Building performance standards
- Renewable energy integration
- Local energy communities
- Decarbonisation strategies

Urban authorities are increasingly responsible for implementing energy transition objectives through buildings, infrastructure, and local energy systems.

**Governance role:** Energy transition and sustainable urban development.

### 13.1.5. DG CLIMA — Directorate-General for Climate Action

#### 13.1.5.1. Climate Resilience and Urban Adaptation

DG CLIMA shapes urban governance through:

- Climate adaptation strategies
- Emissions reduction frameworks
- Climate neutrality objectives
- Urban resilience policies

Cities are central actors in achieving European climate goals because they concentrate populations, infrastructure, economic activity, and climate risks.

**Governance role:** Climate adaptation, mitigation, and resilience planning.

### 13.1.6. DG HOME — Directorate-General for Migration and Home Affairs

#### 13.1.6.1. Social Integration and Urban Security Governance

Urban areas are often the first locations where migration, integration, and social inclusion challenges emerge. DG HOME influences metropolitan governance through:

- Migration integration policies
- Asylum reception systems
- Urban security cooperation
- Social inclusion frameworks

Large metropolitan areas increasingly require coordinated approaches linking housing, employment, education, and integration.

**Governance role:** Social cohesion, migration management, and urban inclusion.

### 13.2. EU Institutions Beyond the European Commission

#### 13.2.1.1. The Political Representation of European Cities and Regions

##### 13.2.1.1. The Political Representation of European Cities and Regions

The Committee of the Regions provides the institutional voice of local and regional authorities within the EU decision-making system.

Its functions include:

- Issuing opinions on EU legislation affecting territories
- Representing municipalities and regions
- Supporting decentralised governance approaches
- Promoting initiatives such as Green Deal Going Local

The CoR strengthens the legitimacy of urban governance by ensuring that local realities are reflected in European policymaking.

**Governance role:** Political representation and territorial dialogue.

#### 13.2.2. European Parliament — Committee on Regional Development (REGI)

The REGI Committee is the Parliament's main body dealing with:

- Cohesion policy legislation
- Regional development
- Territorial governance
- Urban development priorities

It influences the legal and budgetary framework within which urban policies operate.

**Governance role:** Democratic oversight and legislative development.

#### 13.2.3. European Investment Bank (EIB)

##### 13.2.3.1. The Financial Engine of European Urban Transformation

The EIB provides financial capacity for urban development through:

- Urban regeneration projects
- Sustainable housing
- Transport infrastructure
- Climate adaptation investments
- Energy transition projects

Many urban transformations depend not only on policy frameworks

but also on access to long-term financing.

**Governance role:** Investment and financial implementation.

### 13.4. Multi-Level Governance Platforms

#### 13.4.1. EU Urban Agenda Partnerships

The EU Urban Agenda represents a cooperative governance model bringing together:

- European Commission services
- Member States
- Cities
- Regions
- Civil society
- Knowledge institutions

**These partnerships focus on:**

- Improving regulation
- Aligning funding mechanisms
- Sharing knowledge and best practices

- Developing thematic urban strategies

They represent a move away from traditional hierarchical governance towards network-based governance.

**Governance role:** Policy experimentation and coordination.

#### 13.4.2. European Urban Initiative (EUI)

The European Urban Initiative is the EU's main instrument for supporting urban innovation and capacity building.

It provides:

- Urban innovation projects
- Knowledge exchange between cities
- Capacity-building activities
- Support for integrated urban strategies

The EUI represents the operational dimension of European urban governance.

**Governance role:** Innovation, experimentation, and knowledge transfer.



#### 13.4.3. Current Governance Assessment

The existing EU urban governance system has created significant progress by enabling cooperation between European institutions, Member States, and cities. Its strength lies in its flexibility and ability to connect different policy areas. Urban challenges such as climate change, mobility, housing, migration, and economic transformation are addressed through multiple institutional channels.

However, this structure also creates several limitations. The absence of a single coordinating authority leads to fragmentation between policy areas. Metropolitan governance remains uneven across Member States, with different institutional capacities and levels of decentralisation. Cities often interact with multiple DGs and funding programmes without a unified strategic framework.

The current model therefore produces substantial policy outputs — regulations, funding programmes, partnerships, and pilot projects

— but achieving stronger **outcomes and long-term impacts** requires deeper coordination between institutions.

### 13.5. Rationale for a Future EU Center of Excellence in Metropolitan Governance

The current institutional landscape suggests a potential governance gap: Europe has multiple actors influencing cities, but no dedicated institution responsible for integrating metropolitan governance as a strategic European priority.

A future **EU Center of Excellence in Metropolitan Governance** would not replace existing institutions such as DG REGIO, DG ENV, DG MOVE, or the EIB. Instead, it would function as a coordinating platform connecting them.

Its role would be to transform the current fragmented ecosystem into a more integrated metropolitan governance architecture by:

- Linking EU policies with metropolitan implementation
- Developing common metropolitan indicators and KPIs
- Supporting governance innovation
- Coordinating knowledge exchange
- Strengthening cooperation between cities, regions, and EU institutions

Such an institution would respond to the increasing reality that Europe's major challenges — climate transition, demographic change, competitiveness, social inclusion, and cultural transformation — are increasingly metropolitan challenges requiring integrated governance solutions.

#### 14. Comparison of Urban Governance Models

Urban governance refers to the ways in which cities are planned, managed, financed, and held accountable.

Different political systems have developed distinct approaches to governing rapidly growing and increasingly complex cities.

The United States emphasizes local autonomy, political competition, and experimentation among cities and metropolitan jurisdictions.

Its main weakness is institutional fragmentation, which can make regional transportation, housing, and climate policies difficult to coordinate.

The European Union promotes multilevel governance, linking municipal, regional, national, and European institutions.

This approach is strong in policy integration and social and environmental objectives, but decision-making can be complex and slow. China relies on a highly centralized and hierarchical system that enables rapid implementation of large-scale urban development projects. However, limited political participation and problems associated with land finance, property development, and local debt create important risks. Japan combines democratic local government with strong national coordination and has developed

innovative approaches to ageing and shrinking cities.

Its compact-city policies seek to concentrate services, housing, and transport around sustainable urban centres. India combines democratic federalism with rapidly expanding cities, but many municipalities continue to face limited financial and administrative capacity. Russia has a more centralized model in which urban development is closely connected to regional and national strategic priorities.

Brazil provides a distinctive example of participatory urban governance, emphasizing social justice, citizen participation, and the social function of urban land. Its main challenge is translating progressive legal and institutional frameworks into consistent implementation across municipalities. The United Nations does not directly govern cities but provides global principles through frameworks such as the New Urban Agenda. Its approach emphasizes inclusion, sustainability, resilience, participation, and cooperation between different levels of government.

Overall, the United States is particularly strong in local experimentation, China in state capacity, Europe in multilevel coordination, and Japan in long-term demographic planning.

Brazil is especially notable for participatory and socially oriented urban planning, while India illustrates the challenges of governing rapid urbanization with limited municipal capacity.

These approaches demonstrate that effective urban governance requires a balance between administrative capacity, democratic accountability, citizen participation, fiscal resources, and metropolitan coordination.

The emerging challenge is therefore to combine the strengths of different models while avoiding excessive centralization, fragmentation, inequality, or weak local capacity.

| System                   | Core governance model                                       | Main urban actor                                            | Citizen participation                | Fiscal model                                                | Characteristic strength                                 | Characteristic weakness                                           |
|--------------------------|-------------------------------------------------------------|-------------------------------------------------------------|--------------------------------------|-------------------------------------------------------------|---------------------------------------------------------|-------------------------------------------------------------------|
| <b>US United States</b>  | Fragmented federalism + strong local autonomy               | Cities/counties + states                                    | High, pluralistic, often adversarial | Highly fragmented; property taxes + transfers               | Local experimentation and accountability                | Fragmentation, inequality, weak metropolitan coordination         |
| <b>EU European Union</b> | Multilevel governance                                       | Municipal/regional governments within national/EU framework | High                                 | Strong intergovernmental transfers + EU cohesion funding    | Integration of social, environmental and spatial policy | Complex, slow, unclear allocation of responsibility               |
| <b>CN China</b>          | Centralized party-state + hierarchical local implementation | Central state + municipalities                              | Limited formal participation         | Strong state direction + land/property finance historically | Speed, coordination, infrastructure delivery            | Limited political accountability; local debt/property distortions |
| <b>JP Japan</b>          | Coordinated national-local developmental state              | Municipalities, strongly guided by national government      | Moderate                             | Strong national-local fiscal transfers                      | Long-term planning, transit, compact-city adaptation    | Bureaucratic, difficult local reform; demographic decline         |

|                  |                                                    |                                          |                                     |                                      |                                                         |                                                         |
|------------------|----------------------------------------------------|------------------------------------------|-------------------------------------|--------------------------------------|---------------------------------------------------------|---------------------------------------------------------|
| <b>IN India</b>  | Federal democracy + relatively weak municipalities | States more than cities                  | Democratic but uneven               | Municipal fiscal capacity often weak | Political pluralism + enormous experimentation          | Weak metropolitan/ municipal capacity and finance       |
| <b>RU Russia</b> | Centralized state + constrained municipalism       | Federal/regional state                   | Low                                 | Strong vertical transfers            | Ability to mobilize resources around strategic projects | Weak local autonomy/ accountability                     |
| <b>BR Brazil</b> | Decentralized federalism + participatory urbanism  | Municipalities                           | Relatively high institutionally     | Municipal + federal transfers        | Participatory planning and social-justice instruments   | Uneven capacity, fiscal dependence, implementation gaps |
| <b>UN UN</b>     | Normative/global multilevel framework              | Cities + national governments + networks | Strongly participatory in principle | No sovereign urban finance           | Global standards and knowledge coordination             | No coercive implementation power                        |

This table hides several important differences, so the eight approaches can be understood as eight distinct philosophies of urban governance. The comparison is most useful when it considers not only political regime type, but also administrative capacity, local autonomy, fiscal arrangements, citizen participation, metropolitan coordination, and long-term planning.

#### 14.1. United States: Decentralized, Competitive, and Fragmented

The United States represents one of the strongest forms of urban localism. There is no single American model of urban government: a metropolitan area may contain a central city, suburbs, counties, school districts, special districts, transit authorities, state agencies, and metropolitan planning organizations, each with different responsibilities and sources of authority.

The underlying philosophy is that relatively autonomous jurisdictions should compete, experiment, and respond to their residents. This produces substantial variation between cities and allows places such as New York, Houston, Portland, Miami, and Minneapolis to pursue very different approaches to housing, transportation, zoning, taxation, and environmental policy.

A major strength of the American system is experimentation. Cities can serve as policy laboratories for congestion pricing, inclusionary zoning, transit-oriented development, cycling infrastructure, homelessness programmes, participatory budgeting, and other innovations. Strong electoral accountability, courts, independent media, universities, businesses, neighbourhood organizations, and civil society also create multiple channels through which urban policy can be contested and influenced.

The principal weakness is fragmentation. A metropolitan region may function as a single housing, labour, and transportation market while being divided among dozens of governments. This can encourage suburban resistance to housing development, fragmented transit systems, competition for tax revenue, socioeconomic segregation, unequal infrastructure provision, and

difficulties in coordinating climate adaptation. The US is therefore particularly strong in local experimentation and pluralism, but weaker in metropolitan-scale coordination.

#### 14.2. European Union: Multilevel Governance and Policy Integration

The European approach is fundamentally different. The EU does not govern European cities directly; instead, urban policy emerges through overlapping levels of governance involving European, national, regional, metropolitan, and municipal institutions.

The central philosophy is therefore coordination rather than command. European urban policy connects economic development with social inclusion, environmental protection, transport, housing, climate policy, digitalization, and territorial cohesion. EU cohesion policy provides substantial financial support for urban development, while the EU Urban Agenda seeks to improve cooperation between cities, member states, and European institutions.

The great strength of this approach is its ability to integrate urban development with broader social and environmental objectives. Urban policy is not treated simply as infrastructure investment but as part of a wider project of territorial cohesion, decarbonization, social inclusion, and regional development.

Its weakness is complexity. Responsibilities may be divided among the EU, national ministries, regions, metropolitan authorities, and municipalities, making accountability less straightforward and decision-making slower. The EU therefore demonstrates the advantages of multilevel governance, but also its characteristic problem of coordination without a single centre of authority.

#### 14.3. China: Hierarchical, Strategic, and Implementation-Oriented

China represents almost the opposite model from the United States. Urban governance operates within a hierarchical party-state system in which national priorities are transmitted through provincial,

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prefectural, county, district, and neighbourhood institutions.

Its distinctive advantage is the ability to align national development objectives with infrastructure investment, land policy, housing, transportation, industrial policy, spatial planning, and public finance. This makes large-scale and rapid urban transformation possible.

The Chinese model has consequently been particularly effective at delivering major infrastructure, metro systems, highways, airports, new districts, housing programmes, and digital-government systems at a speed and scale that fragmented democratic systems often find difficult to reproduce.

However, the same hierarchy that facilitates coordination can produce weak political feedback and excessive policy intervention. The property and land-development boom illustrates the risks: local governments had strong incentives to promote land development and construction, contributing to investment and urban expansion but also generating property speculation, local-government debt, and inefficient development.

China is therefore increasingly shifting from an earlier model centred on expansion and construction toward one emphasizing urban renewal, quality, resilience, liveability, and the improvement of existing cities. Its experience demonstrates the strengths of strong state capacity, but also the importance of institutional feedback and financial sustainability.

#### **14.4. Japan: Strategic Management under Demographic Decline**

Japan occupies a distinctive position between decentralized democracy and strong national coordination. Its municipalities are democratically governed, but national institutions have historically played a significant role in coordinating planning, infrastructure, and fiscal policy.

Japan's contemporary challenge differs sharply from China's. Whereas China has had to manage rapid urbanization and economic growth, Japan increasingly has to manage population ageing, depopulation, shrinking tax bases, and the long-term maintenance of infrastructure.

This has encouraged a sophisticated approach to planned urban contraction. Japan's Compact + Network strategy seeks to concentrate housing, healthcare, commerce, public services, and transportation around viable urban centres rather than attempting to maintain the same level of infrastructure everywhere.

This approach is particularly significant because it recognizes that urban governance is not always about managing growth. Sometimes governments must decide where population, infrastructure, and public services should be concentrated as cities shrink.

Japan's strength is therefore long-term demographic and spatial planning. Its weakness is that such planning can be bureaucratic and politically difficult, particularly when residents resist the

concentration of services or the reduction of infrastructure in peripheral areas.

#### **14.5. India: Democratic but Institutionally Constrained Urbanism**

India presents a striking gap between the economic importance of cities and the institutional capacity of many urban governments. Indian cities are major centres of economic growth and innovation, yet municipal governments often have limited fiscal resources, professional staff, planning authority, and institutional autonomy.

India combines democratic elections, civil society, active courts, private-sector participation, policy experimentation, and increasingly sophisticated digital governance. This creates considerable dynamism and political pluralism.

At the same time, many urban functions remain heavily dependent on state and national governments. Municipalities frequently lack the revenues and administrative capacity required to plan and finance large-scale infrastructure independently.

India therefore presents an important paradox: it is politically democratic and constitutionally decentralized, but its urban governance can remain administratively centralized and institutionally fragmented.

The central challenge is to build stronger metropolitan and municipal institutions while urbanization is proceeding at enormous scale. India's experience suggests that democratic decentralization is insufficient without fiscal resources, professional capacity, and clearly defined urban powers.

#### **14.6. Russia: Centralized Strategic Urbanism**

Russia's urban governance is closer to the Chinese model than to the American or European models in its emphasis on administrative hierarchy and national or regional strategic priorities.

Urban development is strongly influenced by federal policies, regional governments, major state-linked enterprises, and strategic investment programmes. Municipal governments generally possess less independent political and fiscal influence than municipalities in many Western democracies.

The principal advantage is the state's ability to concentrate resources on strategic infrastructure, major redevelopment, transportation corridors, and flagship projects. This can be effective when a government has clearly defined national or regional objectives and wants to mobilize resources rapidly.

The trade-off is limited local autonomy and weaker mechanisms for bottom-up accountability. The fundamental question tends to be how cities should implement broader national or regional priorities rather than what cities should independently decide for themselves.

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#### 14.7. Brazil: Participatory and Socially Oriented Urbanism

Brazil is particularly significant in comparative urban governance because it combines federal decentralization with a strong legal commitment to participatory and socially oriented urban planning.

The 1988 Constitution and the 2001 Estatuto da Cidade established principles including the social function of the city and property, participatory planning, and democratic urban management. Brazilian urban governance consequently gives unusually strong institutional recognition to the idea that urban development should be negotiated with citizens and that property rights carry social responsibilities.

This approach places particular emphasis on participatory planning, social justice, informal-settlement upgrading, land regularization, reducing spatial inequality, and citizen involvement in urban decision-making.

Its major strength is therefore the normative and institutional integration of participation and social justice into urban planning. Its weakness is the unevenness of implementation. Progressive legislation cannot by itself guarantee adequate municipal finance, infrastructure, housing, administrative capacity, or effective metropolitan coordination.

Brazil demonstrates an important distinction between good governance architecture and good governance outcomes.

#### 14.8. United Nations: Global Norms rather than Direct Government

The United Nations is fundamentally different from the other cases because it does not directly govern cities. Through UN-Habitat and frameworks such as the New Urban Agenda, it establishes principles and encourages governments and cities to adopt particular approaches to urban development.

These principles include participation, inclusion, accountability, transparency, equity, resilience, sustainability, and cooperation across different levels of government.

The major strength of the UN approach is therefore norm-setting, knowledge exchange, and international coordination. It provides a common language through which cities with very different political systems can discuss inclusive, resilient, sustainable, and participatory urban development.

Its principal limitation is its lack of coercive power. The UN can encourage governments to empower municipalities, improve housing, or strengthen climate resilience, but it cannot compel national governments to provide cities with greater political authority or fiscal resources.

The UN should therefore be understood primarily as a system of soft urban governance rather than a governmental model in the conventional sense.

#### 14.9. Comparative Assessment

Taken together, these systems reveal that urban governance consists of several different capabilities rather than one single dimension of effectiveness.

The United States is particularly strong in local autonomy, democratic competition, civil-society pluralism, and policy experimentation, but suffers from fragmentation. The European Union is especially strong in multilevel coordination and integrating social, environmental, economic, and spatial objectives, although its institutional complexity can slow implementation. China has exceptional state capacity, strategic coordination, and infrastructure-delivery capacity, but comparatively weak political participation and local accountability. Japan is particularly advanced in long-term spatial planning and adaptation to ageing and population decline. India demonstrates enormous democratic and technological dynamism, but struggles with municipal capacity and urban finance. Russia emphasizes central strategic mobilization, at the cost of local autonomy and political accountability. Brazil offers one of the most developed approaches to participatory and socially oriented urban planning, although implementation remains uneven. The UN provides the strongest global normative framework, but lacks the authority to enforce it.

The emerging trend is nevertheless one of convergence. Different systems are increasingly confronting similar problems: housing affordability, metropolitan fragmentation, climate change, infrastructure maintenance, digitalization, inequality, demographic change, and the growing complexity of metropolitan regions.

The most promising future model may therefore be neither purely centralized nor purely decentralized. It could combine Chinese administrative capacity and long-term investment, European multilevel coordination, American experimentation and local accountability, Japanese spatial and demographic planning, Brazilian participation and social-justice mechanisms, Indian technological and entrepreneurial dynamism, and the UN's global principles of inclusion, sustainability, and resilience.

The fundamental challenge is to balance five objectives: (1) state capacity, (2) democratic accountability, (3) citizen participation, (4) metropolitan coordination, and (5) municipal fiscal autonomy. Excessive decentralization can produce fragmentation, while excessive centralization can suppress local knowledge and accountability. *Effective urban governance therefore depends less on choosing between centralized and decentralized systems than on designing institutions that can combine capacity with accountability and coordination with local autonomy.*

That combination addresses the central problem of 21st-century urban governance:

Cities are increasingly metropolitan, interconnected and technologically complex, while political authority remains divided among municipalities, regions, states and national governments.

The 2026 UN New Urban Agenda review makes essentially this point from another direction: local governments are taking on more responsibility for land use, services and climate action, but their fiscal autonomy frequently has not increased proportionally.

That is probably the single most important structural issue across all eight systems.

My overall assessment

If the question is “who governs cities most effectively?”, China tends to win on state capacity and coordinated execution.

If it is “who gives cities the greatest democratic autonomy?”, the US is stronger.

If it is “who has the most sophisticated multilevel governance architecture?”, the EU is probably the leading example.

If it is “who has thought most seriously about shrinking/ageing cities?”, Japan is particularly advanced.

If it is “who has most deeply institutionalized participatory and redistributive urban planning?”, Brazil is unusually important.

If it is “who faces the hardest institutional challenge?”, India: its urbanization is enormous, but municipal governance and finance have struggled to keep pace.

And if it is “what should the global standard be?”, the UN's approach is valuable precisely because it tries to combine participation, equity, sustainability, resilience and multilevel governance rather than privileging one political model.

The central lesson is therefore not that one system dominates. It is that urban governance has several separable capabilities—and different countries have become good at different ones. The real frontier is figuring out how to combine capacity + accountability + participation + metropolitan coordination + fiscal autonomy without allowing any one of them to destroy the others.

## **15. Framework for the Establishment of the EU Center of Excellence in Metropolitan Governance (EUCEMG)**

### **15.1. Institutional Architecture and Governance Rationale**

The creation of an EU Center of Excellence in Metropolitan Governance (EUCEMG) would respond to a structural gap within the current European governance system. While metropolitan areas have become increasingly important actors in addressing Europe's major challenges — including climate change, economic competitiveness, social cohesion, digital transformation, mobility, and cultural development — the European Union currently lacks a dedicated institution responsible for coordinating metropolitan governance across policy domains.

At present, European urban governance operates through a complex multi-level and multi-sectoral system involving several European Commission Directorates-General, EU institutions, financial bodies, Member States, regions, metropolitan authorities, and stakeholder networks. Institutions such as DG REGIO, DG MOVE, DG ENV, DG CLIMA, DG ENER, DG HOME, the Committee of the Regions, and the European Investment Bank each contribute important elements to urban transformation. However, these interventions remain distributed across different

policy frameworks, funding mechanisms, and administrative structures.

EUCEMG would not replace existing institutions or centralise urban governance at European level. Instead, it would function as a strategic coordination and knowledge institution, creating stronger connections between European policy objectives and metropolitan implementation. Its role would be to integrate existing approaches, improve cooperation between actors, and provide metropolitan authorities with the analytical tools and governance capacity required to respond to complex territorial challenges.

The institutional mandate of EUCEMG would include five main functions:

First, it would provide strategic intelligence by analysing metropolitan trends, identifying emerging challenges, and supporting evidence-based decision-making.

Second, it would promote governance innovation by developing new models of cooperation between municipalities, metropolitan authorities, regions, Member States, and European institutions.

Third, it would provide capacity building through training, technical assistance, knowledge exchange, and support for metropolitan administrations.

Fourth, it would improve policy coherence by linking metropolitan governance with major European strategies, including Cohesion Policy, the European Green Deal, the Digital Agenda, the New European Bauhaus, and the European Pillar of Social Rights.

Fifth, it would strengthen investment coordination by connecting metropolitan strategies with European financial instruments and investment institutions.

The institutional objective would therefore be to transform the current fragmented governance ecosystem into a more integrated European metropolitan governance framework, while respecting the principle of subsidiarity and the diversity of national governance systems.

### **15.2. Public Policy**

Urban public policy concerns how governments and public institutions shape the development, management and everyday functioning of cities, while balancing economic, social, environmental and political priorities. It addresses interconnected challenges such as housing affordability, mobility, pollution, inequality, access to services, infrastructure and quality of life, recognising that these issues are often mutually dependent rather than isolated. Urban policy therefore involves choices about how limited public resources are allocated, which problems receive priority, and how the costs and benefits of development are distributed across different populations and neighbourhoods. Economic growth can generate employment, investment and innovation, but it can also increase land values, housing costs, congestion and social inequalities if its benefits are unevenly

distributed. Similarly, investments in infrastructure or urban regeneration can improve accessibility and quality of life while potentially contributing to displacement or rising living costs. Data on health, income, education, housing, employment, safety and environmental conditions can make these differences more visible and provide evidence for identifying areas of need. However, data does not determine policy by itself, since indicators must be interpreted in relation to local circumstances, institutional capacities, political priorities and residents' experiences. Urban public policy is therefore both an analytical and political process in which evidence is used to inform decisions, but competing interests and values also shape the final outcome.

The UN Sustainable Development Goals provide a wider international framework for objectives such as sustainable cities, poverty reduction, reduced inequalities and climate action. The EU can translate some of these objectives into European strategies, funding programmes, regulations and monitoring frameworks, while national and local governments adapt them to their own institutional responsibilities and circumstances. Alongside these public and intergovernmental frameworks, the Economist Intelligence Unit (EIU) Global Liveability Index provides an independent comparative perspective on urban living conditions. The 2026 EIU index assesses 173 cities using more than 30 indicators grouped into stability, healthcare, culture and environment, education, and infrastructure. The value of the EIU approach is that it allows cities to be compared through a common framework and can highlight differences in the conditions affecting everyday life. Its findings can therefore complement public-sector indicators by providing another perspective on urban liveability, although an index should not be treated as a complete measure of urban well-being. The EIU itself notes that liveability assessments can support strategic decisions by governments, businesses and other organisations, particularly in relation to urban resilience, investment and long-term planning. This means that OECD, UN, EU and EIU indicators can be considered as complementary sources of evidence rather than as a single system of governance. International indicators do not automatically determine urban policy, because decisions still depend on political priorities, institutional responsibilities, available resources and local circumstances. Reliable data can nevertheless influence how urban problems are identified, compared and evaluated. Effective urban policy therefore requires a combination of evidence, institutional capacity, public participation and political decision-making. Ultimately, urban public policy aims to balance economic development, social inclusion, environmental sustainability, resilience and quality of life while recognising that different cities face different challenges and have different capacities to respond.

### 15.3. Role of the Joint Research Centre (JRC) Guidelines and Scientific Framework

The effectiveness of EUCEMG would depend on the creation of a strong scientific and methodological foundation. The Joint Research Centre (JRC) would provide the evidence base required to ensure that metropolitan governance decisions are based on reliable data, comparable indicators, and long-term analysis.

The JRC's role would be to develop methodological guidelines for metropolitan governance assessment, ensuring consistency across European territories. These guidelines would establish common approaches for analysing metropolitan performance, governance capacity, resilience, and transformation pathways.

The JRC framework would support EUCEMG through:

Development of Metropolitan Governance Methodologies

The JRC would define common principles for assessing:

Institutional capacity of metropolitan authorities

Quality of cooperation between municipalities and regions

Effectiveness of multi-level governance arrangements

Citizen participation and democratic innovation

Integration of sectoral policies

These methodologies would allow metropolitan areas with different administrative structures to be compared through a common European framework.

Scientific Validation of Metropolitan Indicators

The JRC would ensure that indicators used by EUCEMG are scientifically robust, comparable, and regularly updated.

Areas of measurement would include:

Climate transition performance

Energy efficiency

Mobility integration

Housing accessibility

Economic competitiveness

Social inclusion

Digital transformation

Cultural participation

Strategic Foresight and Scenario Development

The JRC would support EUCEMG in developing future scenarios concerning:

Demographic change

Artificial intelligence and digital transformation

Climate risks

Migration patterns

Economic restructuring

Changing models of urban development

This would allow metropolitan authorities to move from reactive policymaking towards anticipatory governance.

The JRC would therefore act as the scientific backbone of EUCEMG, ensuring that metropolitan governance is supported by evidence rather than political assumptions alone.

3. European Urban Index: Combining Existing Indicators into a Common Governance Framework

A central innovation of EUCEMG would be the creation of a European Urban Governance Index (EMGI), combining existing EU urban indicators into a comprehensive strategic monitoring system.

Currently, European cities are assessed through multiple instruments, including the European Urban Audit, Cohesion Policy

indicators, climate indicators, mobility assessments, and digital performance measurements. While these tools provide valuable information, they often operate separately and do not provide a unified picture of metropolitan performance.

The European Urban Governance Index would integrate these existing systems into a single framework capable of measuring both current performance and future transformation capacity. The index would include several dimensions:

15.4. Metropolitan Governance Capacity

Measures:

Institutional coordination between municipalities

Existence of metropolitan governance structures

Quality of strategic planning

Public participation mechanisms

Purpose:

To assess whether metropolitan areas have the governance capacity required to implement European objectives.

Environmental and Climate Performance

Measures:

Carbon reduction pathways

Climate adaptation capacity

Renewable energy integration

Circular economy implementation

Purpose:

To evaluate metropolitan contributions to European climate neutrality objectives.

Social Inclusion and Quality of Life

Measures:

Housing affordability

Access to services

Social inequalities

Integration of vulnerable groups

Purpose:

To ensure that metropolitan development contributes to social cohesion.

Economic and Innovation Capacity

Measures:

Employment growth

Research and innovation capacity

Creative industries

Entrepreneurship ecosystems

Purpose:

To assess metropolitan competitiveness.

Mobility and Connectivity

Measures:

Public transport integration

Sustainable mobility systems

Digital connectivity

Regional accessibility

Purpose:

To evaluate metropolitan accessibility and territorial integration.

Cultural and Human Development

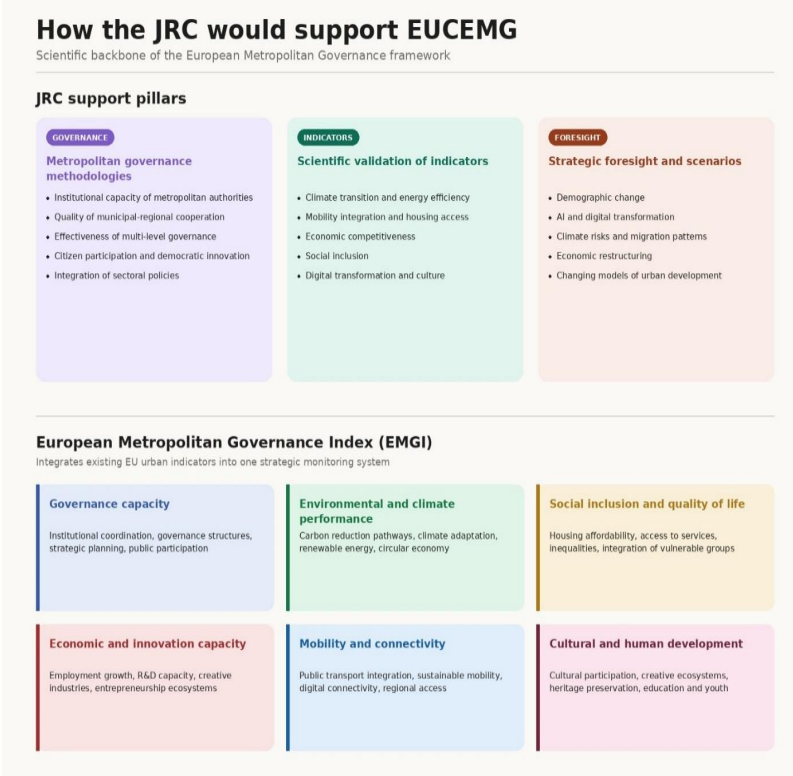
Measures:

Cultural participation

Creative ecosystems

Heritage preservation

Education and youth engagement



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### 15.5. Purpose:

To recognise culture and knowledge as strategic elements of metropolitan development.

The European Urban Governance Index would provide three main functions:

It would allow comparison between metropolitan areas.

It would guide investment decisions by identifying priorities.

It would evaluate the long-term impact of EU policies.

Through this index, EUCEMG would move European urban governance from project-based evaluation towards strategic performance management.

### 16. Role of EU Agencies in Theory and Practice within the EU Governance System

EUCEMG would operate within the wider European governance ecosystem not as a new layer of administration, but as a **strategic bridge between European expertise, institutional capacity and the territorial realities of cities and metropolitan areas**. Its purpose would be to connect and coordinate the knowledge, regulatory capabilities and operational resources already embedded within the EU's agencies and institutions, translating sectoral expertise into more integrated territorial action.

European agencies already perform essential functions across the Union, providing specialised knowledge, technical expertise, regulatory support, data, monitoring capacity and implementation capabilities in areas ranging from the environment and climate to transport, energy, health, employment, digitalisation and regional development. Yet these capacities are, by their nature, largely organised around **individual policy fields and institutional mandates**. The territorial challenges confronting metropolitan areas, by contrast, rarely respect such boundaries. Housing, mobility, decarbonisation, economic competitiveness, social inclusion, demographic change and climate resilience are deeply interconnected and increasingly require coordinated responses.

EUCEMG would seek to address this structural gap by creating a metropolitan coordination framework across existing European capacities. Rather than duplicating the mandates of EU agencies or creating parallel institutional structures, it would provide a mechanism through which their expertise could be brought together around shared territorial challenges. In this sense, EUCEMG could function as a convening and connective architecture, linking European sectoral knowledge with metropolitan strategies and enabling different agencies and institutions to contribute to a common understanding of place-based transformation.

Its added value would therefore lie less in the creation of new competences than in the orchestration of existing ones. By connecting agencies, European institutions and metropolitan authorities, EUCEMG could help overcome institutional fragmentation, strengthen policy coherence and turn dispersed European capabilities into more integrated territorial outcomes.

In theory, this would reinforce the principles of multilevel governance, subsidiarity, territorial cohesion and policy coherence that underpin the European project. In practice, its significance

would depend on its ability to create genuine coordination: aligning expertise, data, investment and implementation around the complex realities of metropolitan areas. The ambition would be to move from a system in which European institutions often address urban challenges **through separate policy lenses** towards one in which their combined capacities can be mobilised around the **territories where those challenges converge**.

EUCEMG could thus occupy a distinctive position within the European governance system: not another agency alongside existing agencies, but a framework for making the European institutional system work more coherently for metropolitan Europe. Its ultimate contribution would be to transform institutional proximity into territorial capacity—bringing Europe's knowledge, resources and policy instruments closer to the places where Europe's most consequential transitions are being experienced and delivered.

#### 16.1. European Environment Agency (EEA)

Role in theory:

Provides environmental knowledge, monitoring systems, and sustainability assessments.

Role in practice:

Supports metropolitan climate indicators, environmental monitoring, and ecological transition strategies.

Contribution to EUCEMG:

Environmental intelligence and climate governance.

European Investment Bank (EIB)

Role in theory:

Provides financial capacity for European strategic objectives.

Role in practice:

Finances:

Urban regeneration

Sustainable housing

Transport systems

Energy transition

Climate adaptation

Contribution to EUCEMG:

Transforms metropolitan strategies into investment programmes.

European Climate, Infrastructure and Environment Executive Agency (CINEA)

Role in theory:

Implements EU programmes related to climate, infrastructure, and environment.

Role in practice:

Supports projects related to:

Clean transport

Energy transition

Environmental innovation

Contribution to EUCEMG:

Operational delivery of metropolitan transition projects.

European Research Executive Agency (REA)

Role in theory:

Supports European research and innovation.

Role in practice:  
Connects metropolitan challenges with universities, researchers, and innovation networks.  
Contribution to EUCEMG:  
Research-based solutions and innovation capacity.

#### European Union Agency for Fundamental Rights (FRA)

Role in theory:  
Protects fundamental rights and social inclusion.

Role in practice:  
Supports metropolitan policies addressing:

Equality  
Social vulnerability  
Citizenship

Participation

Contribution to EUCEMG:

Ensures that metropolitan transformation remains socially inclusive.

#### European Union Agency for Cybersecurity (ENISA)

Role in theory:  
Strengthens European digital resilience.

Role in practice:

Supports:

Smart city security  
Digital infrastructure protection  
Urban data governance

Contribution to EUCEMG:

Secure digital transformation.

### Overall Governance Logic

The establishment of EUCEMG would create a new layer of coordination within the European governance system. The institutional structure would provide strategic direction; the JRC would provide scientific standards; the European Metropolitan Governance Index would provide measurement and accountability; and EU agencies would provide specialised expertise and operational capacity.

Together, these elements would create a European metropolitan governance model capable of connecting knowledge, policy, finance, and implementation — allowing metropolitan areas to become strategic partners in achieving Europe's long-term objectives.

## 17. Proposed Organisational Structure of the EU Center of Excellence in Urban Governance (EUCEMG)

### 17.1. EU Center of Excellence in Metropolitan Governance (EUCEMG)

#### 17.1.1. Governing Board

The Governing Board would constitute the highest strategic authority of EUCEMG. It would define the agency's long-term vision, approve strategic priorities, supervise performance, and ensure alignment with European policy objectives.

The Board would bring together representatives from the European Commission, the Committee of the Regions, metropolitan

authorities, Member State representatives, European research institutions, and independent experts.

Its responsibilities would include:

Setting the strategic orientation of the agency

Approving multi-annual programmes and annual work plans

Monitoring implementation of metropolitan governance objectives

Ensuring coordination with EU territorial, climate, mobility, digital, cultural, and social policies

Evaluating institutional performance against European metropolitan governance KPIs

The Governing Board would ensure that EUCEMG remains both politically legitimate and technically independent.

#### 17.1.2. Executive Directorate

##### 17.1.3. Executive Director

The **Executive Director** would be responsible for the overall management and implementation of the agency's mandate.

The Executive Director would:

Represent EUCEMG before EU institutions and international organisations

Translate strategic priorities into operational programmes

Coordinate the agency's directorates

Ensure effective use of financial and human resources

Deliver annual reports on metropolitan governance performance in Europe

The Executive Director would be supported by an Executive Secretariat responsible for institutional coordination and administrative management.

#### 17.1.4. Executive Secretariat

The Secretariat would provide horizontal support functions essential to the functioning of the agency.

Areas of responsibility:

Legal Affairs and Regulatory Coordination

Human Resources and Organisational Development

Budget Management and Financial Control

Procurement and Administrative Services

Communication, Transparency, and Public Relations

Inter-Institutional Relations

## 17.2. Organizational Logic, Hierarchy, Mission, Vision, Values, Flows, and Decision-Making of the EU Center of Excellence in Metropolitan Governance

The proposed **EU Center of Excellence in Metropolitan Governance** is designed as a strategic European platform dedicated to strengthening metropolitan governance, improving policy coordination, and supporting cities and regions in addressing complex territorial, social, environmental, and economic challenges. Its organizational model follows a multi-level governance approach, combining strong strategic leadership, specialized expertise, evidence-based policymaking, and inclusive stakeholder participation.

The organizational logic is based on a **central coordination model supported by thematic excellence units**. The Center

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functions as a European hub that connects knowledge, policy innovation, research, and practical implementation. At the top, strategic leadership ensures coherence with European priorities, while specialized directorates transform strategic objectives into operational programs. The model combines a top-down strategic direction with bottom-up learning from metropolitan authorities, civil society, researchers, and local communities.

### 17.2.1. Governance and Hierarchical Structure

The highest authority of the Center is the Governing Board, which provides strategic oversight and institutional legitimacy. It defines the long-term vision, approves strategic priorities, ensures alignment with European policies, and supervises the overall performance of the organization. The Board represents the political and institutional dimension of the Center by bringing together European, national, metropolitan, academic, and expert perspectives.

Below the Governing Board, the Executive Director is responsible for translating strategic decisions into concrete actions. The Executive Director ensures operational leadership, coordinates the different directorates, manages institutional partnerships, oversees resources, and represents the Center at the European and international levels.

The Secretariat provides the operational backbone of the organization. It supports coordination between governance bodies and directorates, manages administrative processes, facilitates internal communication, and ensures the smooth implementation of programs. The Secretariat is supported by specialized functions covering legal affairs, human resources, finance, and institutional communication, ensuring professional management and compliance.

### 17.2.2. Core Operational Structure

The Center is organized around five strategic directorates, each representing a major dimension of metropolitan governance.

The **Directorate of Metropolitan Policy and Territorial Intelligence** focuses on improving governance systems through policy innovation, territorial analysis, and implementation monitoring. It develops governance models, supports metropolitan strategies, and helps public authorities design more effective territorial policies.

The **Directorate of Urban Systems and Infrastructure** addresses the physical and functional organization of metropolitan areas. It focuses on mobility, transport systems, infrastructure planning, and European connectivity networks. Its role is to support integrated urban development and strengthen sustainable metropolitan infrastructures.

The **Directorate of Climate, Energy and Resilience** focuses on environmental transformation and metropolitan adaptation. It develops approaches related to climate adaptation, energy transition, and resilience strategies, helping metropolitan regions

respond to climate risks and achieve sustainability objectives.

The **Directorate of Social Cohesion and Inclusion** ensures that metropolitan development remains socially balanced and inclusive. It addresses social inequalities, migration and integration challenges, and mechanisms for civic participation. Its objective is to strengthen social cohesion and ensure that citizens are active participants in metropolitan transformation.

The **Directorate of Data, Indicators and Research** provides the analytical foundation of the Center. It develops metropolitan data systems, research programs, foresight activities, and capacity-building initiatives. Through evidence and knowledge production, it supports better decision-making and allows comparison between European metropolitan regions.

### 17.2.3. Mission

The mission of the EU Center of Excellence in Metropolitan Governance is to become a European reference institution for advancing metropolitan governance through research, innovation, cooperation, and knowledge exchange. The Center aims to strengthen the capacity of metropolitan authorities to design and implement effective policies by providing expertise, data, strategic guidance, and collaborative platforms.

Its purpose is to bridge the gap between European strategies and local implementation by supporting metropolitan regions in managing urban growth, climate change, social transformation, and economic competitiveness.

### 17.2.4. Vision

The vision of the Center is to create a Europe where metropolitan regions are innovative, inclusive, sustainable, and resilient, supported by effective governance systems and strong cooperation between European institutions, governments, cities, and citizens.

The Center seeks to establish a European community of excellence where metropolitan areas become laboratories for innovation, sustainability, democratic participation, and territorial cooperation. Through shared knowledge and coordinated action, European metropolitan regions can become stronger actors in addressing global challenges.

### 17.2.5. Core Values

The Center is founded on European principles of cooperation, democracy, sustainability, inclusion, innovation, transparency, and evidence-based governance.

Cooperation represents the foundation of the model, encouraging collaboration between European institutions, national governments, metropolitan authorities, research organizations, and citizens. Sustainability guides all activities by promoting climate responsibility, resource efficiency, and long-term territorial resilience.

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Inclusion ensures that metropolitan development benefits all communities and that diverse voices are represented in decision-making processes. Innovation encourages the development of new governance models, digital solutions, and policy approaches. Transparency and accountability guarantee public trust, while evidence-based governance ensures that decisions are supported by reliable research, data, and knowledge.

#### 17.2.6. Decision-Making and Operational Flows

The Center operates through interconnected strategic, operational, knowledge, and participation flows.

The strategic flow begins with the **Governing Board**, which establishes priorities and institutional objectives. These strategic orientations are transmitted to the Executive Director, who converts them into operational programs. The directorates then implement projects, research activities, and policy initiatives that support metropolitan authorities across Europe.

The knowledge flow operates in the opposite direction. Metropolitan challenges, local experiences, and stakeholder feedback are collected through networks and partnerships. These inputs are analyzed by the research and data functions, transformed into evidence and recommendations, and then integrated into future strategies and policies.

The participation flow ensures that civil society, citizens, experts, and stakeholders contribute to policy development. Through consultation mechanisms, partnerships, and collaborative platforms, the Center promotes democratic participation and ensures that metropolitan policies reflect real societal needs.

#### 17.2.7. Decision-Making Principles

Decision-making is structured according to the principle of **subsidiarity and multilevel governance**, meaning that decisions are taken at the most appropriate level while ensuring coordination across different institutions.

Strategic decisions remain the responsibility of the Governing Board, including institutional priorities, major partnerships, and long-term direction. Operational decisions are managed by

the Executive Director, who ensures effective implementation and resource coordination. Technical decisions are delegated to specialized directorates, which provide expertise and develop practical solutions. Participatory decisions involve metropolitan authorities, citizens, researchers, and stakeholders to guarantee legitimacy and inclusiveness.

#### 17.2.8. Collaboration Framework

The Center operates through three major collaboration interfaces. The first connects Member States and metropolitan authorities, ensuring policy alignment and knowledge transfer between European and local levels. The second engages civil society and stakeholders, creating channels for participation, dialogue, and social innovation. The third consists of internal services that provide administrative, financial, legal, and communication support.

#### 17.2.9. Institutional Development Pathway

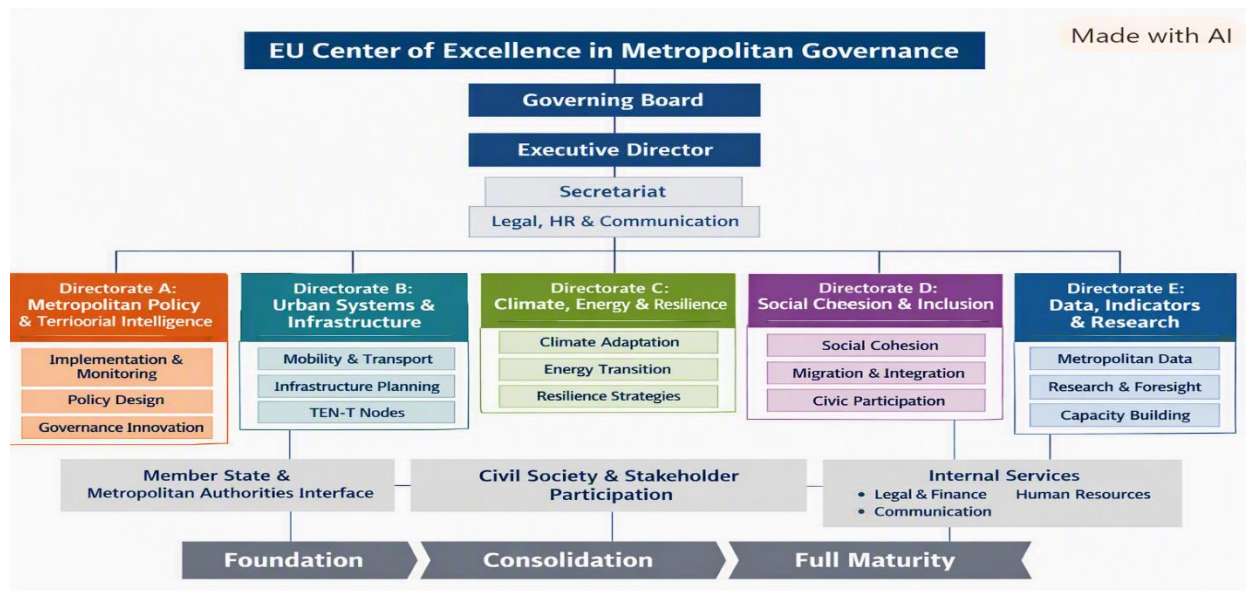
The Center develops through three maturity phases.

During the **Foundation phase**, the priority is to establish governance structures, recruit expertise, develop partnerships, and create operational capacities.

During the **Consolidation phase**, the Center expands its activities by developing research programs, strengthening networks, delivering projects, and increasing stakeholder engagement.

During the **Full Maturity phase**, the Center becomes a recognized European reference institution with advanced knowledge systems, international partnerships, and long-term influence on metropolitan governance policies.

Overall, the EU Center of Excellence in Metropolitan Governance represents a **strategic European institution that combines leadership, expertise, participation, and innovation**. Its structure enables effective coordination between European priorities and metropolitan realities while creating a permanent platform for learning, cooperation, and governance excellence.



### 17.3. Operational Directorates

#### Directorate A — Metropolitan Policy and Territorial Intelligence

##### Mandate

This directorate would constitute the strategic policy centre of EUCEMG. Its role would be to analyse metropolitan governance systems, develop institutional models, and support territorial coordination between EU, national, regional, and metropolitan levels.

##### Core responsibilities

- Development of European metropolitan governance frameworks
- Analysis of territorial governance models
- Support for metropolitan institutional reform
- Monitoring implementation of EU urban policies
- Development of metropolitan governance recommendations

##### Internal Units

##### Metropolitan Policy Design Unit

Develops governance frameworks, comparative studies, and strategic policy proposals.

##### Territorial Monitoring and Implementation Unit

Tracks metropolitan performance and evaluates policy implementation.

##### Governance Innovation Unit

Designs experimental governance models and supports institutional innovation.

#### Directorate B — Urban Systems, Mobility and Infrastructure

This directorate would address metropolitan systems integration, recognising that mobility, infrastructure, housing, and spatial planning must be governed together.

##### Core responsibilities

- Support integrated metropolitan planning
- Coordinate urban mobility strategies
- Connect metropolitan systems with European transport networks
- Promote sustainable infrastructure transitions

##### Internal Units

##### Urban Mobility Systems Unit

Supports metropolitan transport integration and sustainable mobility strategies.

##### Infrastructure Integration Unit

- Links mobility, housing, energy, and territorial development.
- TEN-T Metropolitan Nodes Unit
- Strengthens metropolitan participation in European transport corridors.

#### Directorate C — Climate, Energy and Metropolitan Resilience

This directorate would support metropolitan areas in implementing climate neutrality and resilience objectives.

##### Core responsibilities

- Development of metropolitan climate adaptation strategies
- Support for energy transition frameworks
- Assessment of climate risks and vulnerabilities
- Integration of Green Deal objectives into metropolitan planning

##### Internal Units

##### Climate Adaptation Unit

Supports resilience strategies and climate risk management.

##### Metropolitan Energy Transition Unit

Develops approaches for renewable energy, efficiency, and local energy systems.

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## **Resilience and Risk Governance Unit**

Analyses systemic risks affecting metropolitan areas.

## **Directorate D — Social Cohesion, Inclusion and Metropolitan Citizenship**

### **Mandate**

This directorate would ensure that metropolitan transformation remains socially inclusive and democratically legitimate.

### **Core responsibilities**

Support social inclusion strategies  
Develop metropolitan citizenship approaches  
Strengthen participatory governance  
Address migration and integration challenges

### **Internal Units**

#### **Social Cohesion Unit**

Addresses inequality, accessibility, and inclusion.

#### **Migration and Integration Unit**

Supports metropolitan approaches to integration governance.

#### **Metropolitan Participation Unit**

Develops citizen engagement mechanisms and democratic innovation.

## **Directorate E — Data, Indicators, Research and Strategic Foresight**

### **Mandate**

This directorate would provide the evidence base required for effective metropolitan governance.

### **Core responsibilities**

Creation of European metropolitan indicators  
Management of the EU Metropolitan Data Platform  
Production of research and foresight studies  
Development of governance benchmarking systems

### **Internal Units**

#### **Metropolitan Data and Indicators Unit**

Creates comparable metropolitan datasets and performance indicators.

#### **Research and Foresight Unit**

Studies demographic, economic, technological, and environmental trends.

#### **Knowledge Transfer and Capacity-Building Unit**

Provides training and support to metropolitan authorities.

## **17.4. Cross-Governance Interface Platforms**

### **17.4.1. Member State and Metropolitan Authorities Platform**

This platform would ensure continuous dialogue between EUCEMG and metropolitan governance actors.

It would coordinate:

National metropolitan focal points

Regional authorities

European metropolitan networks

Joint implementation initiatives

Its objective would be to translate European strategies into metropolitan action.

### **17.4.2. Civil Society, Academia and Innovation Forum**

This platform would ensure democratic participation and knowledge exchange.

Participants would include:

Universities and research centres

Cultural organisations

Civil society organisations

Private-sector innovators

Community representatives

Its role would be to integrate local knowledge and societal perspectives into metropolitan governance.

## **17.5. Internal Support Functions**

The agency would include permanent internal services responsible for:

Legal compliance

Financial management

Human resources

Digital infrastructure

Procurement

Communication and transparency

Ethics and governance oversight

## **17.6. Institutional Development Roadmap**

### **Phase I — Foundation Stage**

The initial objective would be to establish EUCEMG as a European knowledge and coordination platform.

Main deliverables:

Creation of the EU Metropolitan Governance Observatory

Development of metropolitan governance indicators

Launch of metropolitan partnerships

Publication of the European Metropolitan State of Play Report

Expected impact:

Creation of a shared evidence base and common governance language across Europe.

### **Phase II — Consolidation Stage**

The agency would progressively integrate metropolitan governance into EU policy cycles.

Main deliverables:

European metropolitan innovation laboratories

Integrated climate, mobility, and social transition frameworks

Metropolitan governance benchmarking system

Expanded cooperation with EU institutions and financial bodies

Expected impact:

Stronger alignment between European strategies and metropolitan implementation.

### **Phase III — Full Maturity Stage**

EUCEMG would become the European reference institution for

metropolitan governance.

Main capabilities:

Operation of the EU Metropolitan Observatory

Permanent metropolitan policy monitoring

Strategic foresight on urban futures

Coordination of European metropolitan governance networks

Expected impact:

A coherent European metropolitan governance system capable of responding to climate change, demographic transformation, economic competition, technological disruption, and social inequality.

Figure



The logic of the EUCEMG roadmap is founded upon a simple yet profound principle: **great institutions are not built in a single moment, but forged through discipline, knowledge, and successive acts of collective ambition.** Its trajectory follows the path of every enduring European achievement — beginning with the creation of trust, advancing through the construction of common instruments, and culminating in the capacity to shape the future.

The **Foundation Stage** represents the moment of intellectual and institutional awakening. By establishing observatories, indicators, and analytical capacities, EUCEMG creates the essential foundation upon which effective governance must rest: a common understanding of metropolitan realities. It transforms fragmented experiences into shared knowledge and provides European metropolitan actors with the language, evidence, and confidence required to act together.

The **Consolidation Stage** marks the transition from knowledge to action. It converts intelligence into coordination, connecting metropolitan governance with European policy frameworks, investment mechanisms, and innovation systems. At this stage, EUCEMG becomes not merely an observer of change but an active instrument of transformation, aligning diverse territories around common objectives while respecting their unique identities.

The **Full Maturity Stage** represents the achievement of institutional excellence. EUCEMG emerges as a permanent European reference point for metropolitan foresight, **strategic monitoring**, and policy innovation. It becomes a trusted compass, guiding decision-makers through the uncertainties of climate transition, technological disruption, demographic change, and economic transformation.

This evolution reflects the very spirit of European integration: **first creating knowledge, then building cooperation, and finally achieving strategic unity.** The roadmap does not seek to impose governance from above; rather, it cultivates progress through patience, experience, and shared responsibility. Each phase strengthens the next, creating a continuous cycle of learning between local experimentation and European-level coordination.

Through these successive steps, EUCEMG develops a living governance system — one capable of listening to territories, learning from practice, and adapting to new challenges. Its strength lies not only in structures and institutions, but in its ability to unite intelligence, cooperation, and vision. Ultimately, the roadmap presents a model of metropolitan governance that is resilient, evidence-based, and prepared to serve future generations of European cities and citizens.

### 17.7. Budgetary Means and Spending

For the EU Center of Excellence in Metropolitan Governance

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(EUCEMG), financing should follow a principle of strategic differentiation: resources should reward metropolitan areas that demonstrate excellence and innovation, while also strengthening weaker regions so that European territorial disparities are reduced. The objective is not simply to finance the strongest cities, but to create a system where **performance generates leadership and investment generates transformation**.

A possible financing model could be structured around an annual EU budget envelope of approximately **€1–2 billion**, depending on the ambition and scope of the institution. This funding would combine EU structural funds, Horizon Europe-type research resources, climate and innovation funds, national contributions, and partnerships with metropolitan authorities.

Around 40% of funding could be allocated to **high-performing metropolitan regions**. These cities would act as European laboratories of excellence, receiving competitive funding for advanced innovation projects, climate neutrality programs, digital transformation, artificial intelligence applications, mobility solutions, and international knowledge-sharing platforms. Their role would be to generate models that can later be transferred to other regions.

Around 40% of funding should be directed toward **transition and intermediate-performing metropolitan areas**. These regions often possess strong potential but require additional capacity, investment, and technical support. Funding would focus on institutional strengthening, infrastructure modernization, innovation ecosystems, skills development, and improved governance mechanisms.

Around **20% of funding** should be dedicated to **lower-performing or structurally weaker metropolitan areas**. This support should not be seen as compensation but as strategic investment in European cohesion. Resources would target administrative capacity building, basic digital infrastructure, social inclusion, sustainable transport, education, and economic diversification. The financing logic should therefore combine **excellence funding and cohesion funding**. The best-performing cities would receive resources because they generate innovation and European leadership, while less-performing regions would receive support because strengthening them increases the resilience and competitiveness of Europe as a whole.

A possible allocation mechanism could be based on five criteria: governance capacity, economic performance, innovation potential, sustainability achievements, and social inclusion outcomes. Metropolitan areas demonstrating measurable progress would receive additional incentives, while those facing structural challenges would benefit from targeted transformation programs.

The principle would be similar to a European investment strategy: **reward excellence, accelerate transformation, and prevent exclusion**. In this way, EUCEMG would not create a competition

between successful and struggling regions, but a system where leading metropolitan areas become mentors and engines of progress for the entire European urban network.

The **role of a Composite Index** (assuming you mean a combined performance index for metropolitan governance) would be to provide a **transparent, evidence-based mechanism for assessing performance, allocating resources, and guiding strategic investment decisions within the EU Center of Excellence in Metropolitan Governance (EUCEMG)**. It would serve as the analytical foundation that determines how funding, support, and recognition are distributed among metropolitan areas.

The Composite Index would transform complex realities into a common European measurement framework. By combining multiple dimensions — such as governance capacity, economic performance, innovation, sustainability, digital transformation, social inclusion, and resilience — it would allow EUCEMG to compare metropolitan regions using a balanced and multidimensional approach rather than relying on a single economic indicator.

Its first role would be **diagnostic**. The Index would identify the strengths and weaknesses of each metropolitan area, revealing where excellence exists and where intervention is required. High-performing cities would be recognized as European models of innovation and governance, while weaker regions would receive targeted support based on clearly identified structural gaps.

Its second role would be **financial allocation**. Instead of distributing funding only according to population size or political criteria, EUCEMG could use the Composite Index to create a performance-based financing system. Metropolitan areas with strong results could receive competitive funding for frontier projects, while lower-performing regions could receive capacity-building investments aimed at improving their governance and development potential.

Its third role would be strategic monitoring. The Index would track progress over time, allowing EUCEMG to evaluate whether investments are producing measurable improvements. A metropolitan area would not be judged only by its current position, but also by its capacity for transformation and improvement.

A possible Composite Index structure could include: **Governance and institutional capacity** measuring coordination mechanisms, administrative efficiency, transparency, and citizen participation.

**Economic and innovation performance** assessing productivity, entrepreneurship, research capacity, investment attraction, and digital transformation.

**Environmental sustainability and resilience** evaluating climate action, energy transition, sustainable mobility, and adaptation

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capacity.

Social cohesion and inclusion measuring inequality reduction, access to services, integration, education, and quality of life.

**Cultural and European influence** assessing creativity, cultural assets, international attractiveness, and contribution to European identity.

The Index should not become a simple ranking system that rewards only already successful metropolitan areas. Its purpose should be more strategic: to identify **excellence, potential, and transformation capacity**. A medium-performing city with strong improvement potential should therefore be able to receive significant support, while a wealthy city with weak governance or sustainability performance should not automatically receive priority.

In this sense, the Composite Index would act as the **compass of EUCEMG**. It would guide investment decisions, encourage accountability, promote learning between metropolitan regions, and ensure that European funding follows evidence rather than political influence. Ultimately, it would allow EUCEMG to achieve its central ambition: **to reward excellence, accelerate transformation, and strengthen the collective competitiveness and cohesion of Europe's metropolitan territories**.

**Reality check:** In February 2026, EU ministers approved conclusions on a new "Agenda for Cities" — a rebrand of urban policy meant to steer over €24 billion in direct city funding through the next budget cycle, and quietly, that vote is also the opening shot in a much bigger fight over Europe's 2028–2034 budget. The timing is not flattering: Spain's government has been forcing cities to use or lose the EU money already handed out for bike lanes and low-emission zones, after right-wing local governments quietly abandoned the projects they'd promised to build. In Badalona and Elche, councils that campaigned against "anti-car" policy simply let EU-funded low-emission zones and bike lanes stall — putting them at risk of having to hand the money back. It's a case study in how EU urban policy can be approved in Brussels, funded through a national ministry, and then quietly killed at the level of a single town council — with nobody technically breaking a rule. Meanwhile, the Commission is trying to sell the opposite story: cleaner governance, less fragmentation, and a new "Cities Helpdesk" launching this year to stop projects from getting lost in exactly this kind of administrative fog. That optimism collides with the numbers — the fourth call for EU Urban Initiative innovation funding, worth roughly €60 million, closes for applications on 15 June 2026, a modest sum next to the political weight being placed on it. The real story is the fight brewing underneath: cities want money to flow to them directly, without national governments as gatekeepers who can slow-walk or defund projects for domestic political reasons — exactly what just happened in Catalonia. That demand will collide, in the next eighteen months, with member states negotiating the 2028 Multiannual Financial Framework,

where finance ministries have every incentive to keep control of the taps. So the hook isn't "EU renews urban funding" — it's "EU renews urban funding while quietly admitting the last round already got hijacked by national politics," and the outcome of that argument will decide whether Europe's cities get real budgetary independence or just a nicer-sounding umbrella term.

### 17.8. The Role of the Composite Index in Relation to the Work of EUCEMG Units

The Composite Index would serve as the central strategic instrument connecting the different units of the **EU Center of Excellence in Metropolitan Governance (EUCEMG)**. It would provide a common analytical language, allowing each directorate to measure metropolitan performance, identify challenges, prioritize interventions, and evaluate the impact of European investments. Rather than being a simple ranking tool, the Index would function as the **governance compass of EUCEMG**, transforming complex territorial realities into actionable intelligence.

The **Directorate of Data, Indicators and Research** would have the leading responsibility for designing, managing, and continuously improving the Composite Index. This unit would define indicators, collect metropolitan data, develop benchmarking methodologies, and produce comparative assessments. Its role would be to ensure that decisions across EUCEMG are based on evidence rather than assumptions, creating a reliable foundation for strategic planning.

The **Directorate of Metropolitan Policy and Territorial Intelligence** would use the **Composite Index** to assess governance capacity, institutional effectiveness, coordination mechanisms, and policy innovation. The Index would help identify which metropolitan areas have developed successful governance models and which require institutional strengthening. It would guide the design of capacity-building programs and support the transfer of best practices between leading and emerging metropolitan regions.

The **Directorate of Urban Systems and Infrastructure** would use the Index to evaluate metropolitan performance in areas such as mobility, connectivity, infrastructure quality, and territorial integration. Indicators related to transport efficiency, digital infrastructure, and accessibility would help identify investment priorities and ensure that European funding supports projects with the greatest territorial impact.

The **Directorate of Climate, Energy and Resilience** would rely on the Composite Index to measure environmental performance and transformation capacity. Indicators on carbon reduction, renewable energy adoption, climate adaptation, and resilience planning would allow EUCEMG to identify climate leaders while supporting metropolitan areas that require assistance in their transition toward sustainability.

The **Directorate of Social Cohesion and Inclusion** would use the Index to monitor social development and ensure that metropolitan growth benefits all citizens. It would integrate indicators related

to inequality, housing accessibility, education, employment opportunities, migration integration, and citizen participation. This would prevent economic success from being measured separately from social progress and would reinforce the European commitment to inclusive development.

The **Executive Directorate** would use the Composite Index as a strategic management tool to allocate resources, monitor performance, and evaluate institutional impact. Funding decisions would be linked to measurable objectives, allowing EUCEMG to combine excellence-based financing with cohesion-oriented support. High-performing metropolitan areas could receive competitive funding for innovation projects, while weaker regions would receive targeted assistance to improve their capabilities.

The **Governing Board** would use the Composite Index as a political and strategic instrument to oversee the evolution of European metropolitan governance. It would provide an objective basis for determining priorities, assessing progress, and ensuring that EUCEMG contributes to broader European objectives, including competitiveness, sustainability, territorial cohesion, and social inclusion.

The Composite Index would therefore create a continuous cycle of intelligence and action: **measurement would generate knowledge; knowledge would guide investment; investment would produce transformation; and transformation would improve future performance.** It would allow EUCEMG to move beyond traditional administrative approaches and create a dynamic system where European metropolitan areas learn from one another, compete through excellence, and cooperate for collective progress.

Ultimately, the Composite Index would become the **strategic backbone of EUCEMG**, linking all institutional units around a shared vision: to build a Europe where metropolitan regions are not only engines of economic growth but also centres of innovation, resilience, inclusion, and democratic governance.

### 17.9. Strategic Vision

Urban governance in the European Union is neither organised around a single institution nor anchored in a dedicated European urban directorate. Instead, it unfolds through a **multi-level and multi-sectoral governance ecosystem**, bringing together several European Commission Directorates-General, EU institutions and financial bodies, Member State authorities, metropolitan and local governments, and a wide range of stakeholder networks. This institutional landscape reflects the EU's limited formal competence in urban policy: responsibility for cities remains primarily with the Member States, while the EU shapes urban development indirectly through cohesion policy, environmental and climate regulation, transport and energy policy, social inclusion, research, and investment instruments.

The resulting architecture is therefore one of **coordination rather than command**. The European Commission sets strategic directions, establishes regulatory frameworks, mobilises financial

instruments, and provides platforms for knowledge exchange and policy learning, while the translation of these priorities into territorial action ultimately rests with national, regional, metropolitan, and local authorities. This arrangement allows urban priorities to permeate a wide range of EU policies, but it also creates a structural challenge: **urban policy is present across the EU system without being institutionally concentrated within it.** The strength of this model lies in its capacity to connect urban issues to broader European priorities; its weakness lies in the fragmentation of responsibility, expertise, funding, and accountability across multiple institutional arenas.

The **EU Center of Excellence in Metropolitan Governance** would stand as a new pillar of European organization, not as a mere administrative office, but as a commanding institution of knowledge, strategy, and unity. It would serve as the bridge between the great vision of Europe and the realities of its cities, bringing together wisdom, resources, innovation, and the strength of collective action.

Through this permanent alliance between European institutions and metropolitan territories, EUCEMG would transform cities and regions from passive recipients of policy into active architects of Europe's destiny. It would unite diverse territories under a common purpose: to advance prosperity, strengthen social bonds, protect cultural heritage, and secure Europe's position in a changing world.

Like the great institutions that shaped history, EUCEMG would not seek power through authority alone, but through knowledge, coordination, and the trust of those it serves. It would become the strategic heart of metropolitan Europe — a place where ideas are forged, alliances are built, and the future is prepared.

Its mission would be clear: to give Europe the vision, discipline, and unity required to master the challenges of the new age and to ensure that its cities remain the engines of civilization, innovation, and progress.

The core values that will guide the operations of the EU Center of Excellence in Metropolitan Governance include:

Cooperation, which represents the foundation of the model, encouraging collaboration between European institutions, national governments, metropolitan authorities, research organizations, and citizens.

Sustainability, which guides all activities by promoting climate responsibility, resource efficiency, and long-term territorial resilience.

Inclusion, ensuring that metropolitan development benefits all communities and that diverse voices are represented in decision-making processes.

Innovation, which encourages the development of new governance models, digital solutions, and policy approaches.

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Transparency, which fosters openness in governance and decision-making processes.

Evidence-based governance, ensuring that policies and decisions are grounded in reliable data and research.

These values collectively aim to create a governance framework that is effective, equitable, and responsive to the needs of metropolitan regions.

## 18. EU Centre of Excellence in Urban Governance: Cities as Engines of European Economic Transformation

The European Union's future economic transformation will be determined to a significant extent by the capacity of its cities and metropolitan regions to generate innovation, productivity, investment, skills, and social value. Cities are not simply places where European policies are implemented; they are the principal territorial platforms through which many of Europe's economic, technological, environmental, and social transitions take place. Universities, research institutions, companies, financial institutions, skilled workers, infrastructure, cultural assets, and public institutions are disproportionately concentrated in urban regions. Consequently, the capacity of the European Union to strengthen its economic competitiveness is closely connected to its capacity to strengthen the governance and productive potential of its cities.

This provides the strategic rationale for establishing an **EU Centre of Excellence in Urban Governance**. The Centre would not be another European urban policy institution or a conventional academic research centre. Its purpose would be to occupy the space between research, policy, investment, and implementation and to develop a European intellectual and institutional capacity for understanding how cities can contribute to economic transformation. It would become a platform through which European experience is analysed, tested, compared, and translated into practical approaches that can be adopted by cities and metropolitan regions across Europe.

The central proposition of the Centre should be that **urban governance is an economic capability**. Good urban governance is not limited to the efficient delivery of municipal services or the administration of land-use regulations. It determines whether cities can coordinate infrastructure, attract and retain talent, mobilise investment, support innovation, develop housing, manage land, integrate transport, respond to climate change, and create the conditions for productive economic activity. Urban governance therefore needs to be understood as part of Europe's wider economic and industrial strategy.

The Centre would consequently advance a broader conception of urban planning. Planning should not merely allocate land between competing uses. It should help construct the spatial, institutional, and infrastructural conditions under which economic transformation can occur. A university district, railway station,

port, technology cluster, industrial area, energy system, housing programme, or regenerated brownfield site can all become components of a wider economic strategy when they are connected through an integrated territorial vision.

The central question for the Centre would therefore be:

**How can European cities and metropolitan regions be governed and planned so that public investment, infrastructure, knowledge, skills, and private capital generate sustained economic transformation and inclusive territorial development?**

This question provides a common intellectual framework linking urban governance with European competitiveness.

### 18.1. From Urban Projects to Urban Transformation

European urban policy has accumulated considerable experience in financing individual projects. The next challenge is to move from the project to the transformation of the urban economic system. A city may successfully construct a tramway, regenerate a waterfront, establish a technology park, renovate buildings, or create a new university campus, but the individual projects do not necessarily produce structural economic transformation unless they are connected to a wider strategy.

The Centre could therefore develop a concept of **Urban Transformation Strategies** in which individual projects are treated as components of a larger economic and territorial programme. The starting point would not be the availability of a particular European funding programme. Instead, the starting point would be the economic and spatial transformation that a city is trying to achieve. European and national funding instruments would then be assembled around that objective.

This would encourage cities to move from a project-oriented model towards an investment portfolio model. Research funding, cohesion funding, skills funding, infrastructure finance, climate finance, innovation finance, and private investment could be aligned around a common metropolitan strategy.

The logic would be to move from funding individual projects to financing **systems of change**.

### 18.2. Cities as Platforms for Innovation

One of the most important functions of the Centre would be to strengthen the relationship between European cities and the innovation economy. Europe's universities and research institutions generate considerable knowledge, but the translation of research into companies, productive investment, and globally competitive firms remains uneven.

Cities can provide the environment in which this translation occurs. They bring universities, companies, investors, public institutions, laboratories, hospitals, infrastructure, and skilled workers into close proximity. The Centre could therefore investigate the institutional conditions that allow metropolitan regions to convert

research into innovation and innovation into economic value.

The objective would be to develop a European model of the city as an **innovation platform**. Urban authorities would not necessarily become technology agencies, but they could deliberately shape the conditions in which innovation ecosystems develop. Planning, land policy, public procurement, infrastructure, university development, housing, mobility, and investment policy can all influence the ability of a city to attract and retain innovative firms and talent.

The Centre could establish a network of European urban innovation laboratories in which cities test new approaches to artificial intelligence, advanced manufacturing, biotechnology, climate technologies, digital governance, mobility, energy, and circular economy systems. The purpose would be not merely to demonstrate technologies but to examine the governance arrangements that enable those technologies to move from experimentation to large-scale adoption.

18.3. Cities as Industrial Transformation Platforms

The same principle applies to European industrial policy. Industrial transformation is frequently discussed at the national or European level, yet the productive ecosystems required for advanced industry are overwhelmingly territorial. Firms need access to skilled labour, universities, research institutions, energy, transport, housing, suppliers, digital infrastructure, and markets. These conditions are assembled within cities and metropolitan regions.

The Centre could therefore establish a major programme examining the relationship between **urban policy and industrial policy**. It could identify the metropolitan regions in which Europe's strategic industries are concentrated and analyse the institutional conditions required for their expansion.

The purpose would not be for every city to pursue the same economic strategy. On the contrary, European competitiveness could be strengthened by encouraging cities to build on their distinctive economic capabilities. One metropolitan region might develop advanced mobility technologies, another biotechnology, another semiconductor, another maritime technologies, another renewable energy, and another circular manufacturing. The European economy would then operate increasingly as a

network of complementary metropolitan production systems.

This would represent a shift from competition between cities towards strategic complementarity between cities.

18.4. Cities and European Infrastructure

Infrastructure provides another critical connection between urban governance and economic transformation. European railways, ports, airports, energy networks, digital infrastructure, and logistics systems are often planned primarily as networks of movement. Their economic consequences, however, depend heavily on what happens around the infrastructure.

A railway station can become simply a place where passengers arrive and depart, or it can become the centre of a new employment district, innovation cluster, logistics platform, university quarter, or mixed-use urban centre. A port can function merely as a freight facility, or it can become the centre of an advanced maritime-industrial ecosystem. A new energy connection can simply transmit electricity, or it can support new industrial investment.

The Centre should therefore develop the concept of **infrastructure as territorial economic strategy**.

This would be particularly relevant to the European TEN-T network. Major transport corridors should be assessed not only according to travel time and connectivity but also according to the economic transformation they enable in the cities and regions along the corridor.

The key question becomes not simply **where infrastructure should go, but what economic geography European infrastructure should create**.

18.5. Cities and EU Funding

The Centre would have an important role in helping cities understand the European funding architecture as an integrated economic-development system rather than as a collection of separate programmes. The various instruments have different purposes, but they can become considerably more powerful when assembled around a coherent urban transformation strategy.

| Strategic urban objective             | Relevant EU instruments                    | Potential contribution to economic transformation                                |
|---------------------------------------|--------------------------------------------|----------------------------------------------------------------------------------|
| Urban regeneration and infrastructure | ERDF, Cohesion Fund                        | Regeneration, mobility, energy, infrastructure and productive urban environments |
| Research and innovation               | Horizon Europe                             | Research, experimentation, demonstration and innovation ecosystems               |
| Technology scale-up                   | European Innovation Council, STEP          | Growth of strategic European technology companies                                |
| Private investment                    | InvestEU                                   | Mobilisation of private and institutional capital                                |
| Skills and employment                 | ESF+                                       | Workforce development, reskilling and labour-market integration                  |
| Climate and industrial transition     | ERDF, Just Transition Fund, Horizon Europe | Decarbonisation, clean technologies and industrial restructuring                 |

|                                       |                                      |                                                             |
|---------------------------------------|--------------------------------------|-------------------------------------------------------------|
| Cross-border metropolitan development | Interreg                             | Integration of European economic and territorial networks   |
| Climate-neutral cities                | EU Cities Mission and Horizon Europe | Urban experimentation, innovation and replication           |
| Integrated territorial development    | ERDF and territorial instruments     | Coordination of urban, regional and metropolitan investment |

The role of the Centre would be to develop methodologies through which cities can combine these instruments around long-term transformation objectives. The important institutional shift would be from **"Which EU programme can finance this project?" to "Which combination of European resources can finance the transformation we need?"**

This would also make EU funding more strategic. Instead of measuring success primarily through expenditure and project completion, cities could be evaluated according to the additional investment, employment, productivity, innovation, skills, housing, accessibility, emissions reduction, and social value generated by European support.

#### 18.6. The Urban Economic Transformation Observatory

A flagship component of the Centre could be a **European Urban Economic Transformation Observatory**. Its purpose would be to create a common evidence base on the relationship between urban governance and economic performance.

The Observatory could compare European metropolitan regions according to their ability to attract investment, generate innovation, develop skills, provide housing, manage infrastructure, support entrepreneurship, decarbonise their economies, and coordinate across municipal boundaries.

This would introduce a more sophisticated understanding of urban performance. A successful city would not simply be one with high property values or strong employment growth. It would be one capable of converting knowledge, infrastructure, human capital, and investment into broad-based productivity and quality of life.

The Observatory could also develop longitudinal studies showing how major European investments affect cities over ten, twenty, or thirty years. This would strengthen the evidence base for long-term urban policy and allow the EU to identify which types of investment and governance arrangements generate the greatest economic and social returns.

#### 18.7. Metropolitan Governance as European Economic Infrastructure

The Centre should place metropolitan governance at the heart of its intellectual programme. Europe's economic geography frequently extends beyond the boundaries of individual municipalities. Housing markets, labour markets, transport systems, universities, industrial clusters, water systems, and environmental networks operate at metropolitan or regional scales.

Yet governance remains frequently fragmented.

This institutional fragmentation can reduce the economic benefits of infrastructure and investment. A metropolitan transport system may require coordination among several municipalities. Housing policy may need to be aligned with employment growth in neighbouring jurisdictions. Industrial land may be located in one municipality while workers and universities are located in another. The Centre could become Europe's leading institution for comparative research into metropolitan governance. It could examine different models of metropolitan authority, inter-municipal cooperation, regional government, public-private partnerships, development corporations, and multi-level governance.

The purpose would not be to impose one European model. Rather, the Centre would identify the institutional conditions under which different models succeed and develop practical frameworks that cities can adapt to their own political and administrative circumstances.

#### 18.8. Cities, Human Capital and Skills

Economic transformation ultimately depends on human capital. A metropolitan region cannot build an advanced industrial or technological economy if its education and skills systems are disconnected from its economic strategy.

The Centre could therefore connect urban governance with workforce transformation. Metropolitan authorities, universities, vocational institutions, employers, and economic-development agencies should be encouraged to develop shared forecasts of future skills requirements.

Urban investment would then be linked to human-capital investment.

A technology district without skilled workers, a manufacturing cluster without technical training, or a major infrastructure programme without a local workforce strategy represents an incomplete development model.

**The Centre could develop Urban Skills Compacts** linking metropolitan economic strategies with universities, vocational education, employers, and European skills programmes.

#### 18.9. Cities as Investment Platforms

Another major contribution of the Centre would be to examine how cities can mobilise private capital alongside public resources.

The scale of Europe's urban challenges means that public grants alone will never be sufficient. Cities need to become capable of

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preparing investment opportunities, assembling land, reducing regulatory uncertainty, structuring projects, and creating conditions under which institutional investors and private companies can participate.

This requires new institutional capabilities within metropolitan government.

The Centre could therefore develop an Urban Investment and Finance Programme examining land-value capture, development corporations, public-private partnerships, municipal finance, blended finance, institutional investment, revolving funds, and EU guarantees.

The objective would be to transform public expenditure into a catalyst for much larger pools of private investment.

In this model, the city does not simply spend money. It creates investment conditions.

#### 18.10. From European Cities to a European Urban System

The ultimate ambition should be to understand Europe's cities as an interconnected economic system.

The European Union possesses an extraordinary diversity of metropolitan economies, secondary cities, industrial regions, university cities, port cities, border regions, and smaller towns. Their strength lies not only in their individual capabilities but in their connections.

The Centre could therefore develop a **European Urban Economic Network**, identifying complementary relationships among cities and regions.

A research institution in one city might collaborate with manufacturers in another. A technology company developed in one metropolitan region might use manufacturing capabilities in another. A port city could connect inland industrial regions to global markets. A university city could supply skills and research to surrounding industrial regions.

European competitiveness could thus increasingly depend on the strength of the connections between cities.

The policy objective would be to move from a European geography characterized by competition for investment towards one characterized by **specialisation, complementarity, connectivity, and cooperation**.

#### 18.11. The Strategic Role of the Centre

The EU Centre of Excellence in Urban Governance would therefore occupy a distinctive position within the European institutional landscape. It would connect academic knowledge with the practical requirements of cities, connect urban planning with economic policy, connect EU funding with investment strategy, and connect infrastructure with territorial development.

Its ultimate function would be to create **European urban governance capacity**.

This means developing the knowledge required to answer questions that individual municipalities, ministries, universities, or funding programmes cannot answer independently. How should metropolitan regions govern themselves? How can infrastructure generate economic transformation? How can cities scale innovation? How should European funding be integrated? How can urban development support industrial competitiveness? How can major metropolitan regions contribute to the development of smaller cities and surrounding territories? How can Europe achieve decarbonisation while strengthening its productive base?

These are fundamentally questions of governance.

The Centre could consequently become a European institution for **urban strategic intelligence**, bringing together research, comparative analysis, experimentation, professional education, investment methodologies, policy evaluation, and international cooperation.

Its intellectual proposition could be expressed simply:

**Europe cannot transform its economy without transforming the capacity of its cities to govern, invest, innovate, connect, and cooperate.**

The Centre would therefore treat the city not merely as the recipient of European policy but as an active instrument of European economic transformation.

Its long-term purpose would be to help Europe move from an approach based primarily on financing urban projects towards one based on building **productive, innovative, connected, resilient, and inclusive urban economies**.

In this conception, urban governance becomes part of European economic strategy, metropolitan planning becomes part of industrial policy, infrastructure becomes part of territorial development, and EU funding becomes a mechanism for leveraging long-term transformation.

The result would be a new European policy paradigm in which the fundamental unit of economic transformation is not the isolated project or even the individual city, but the **networked metropolitan region embedded within a wider European urban system**.

This must be the solution to the conundrum regarding the metropolitan areas in the EU and the larger urban agglomeration and the role of the index as informing EU urban interventions. Let the broadest shoulders carry the largest burden.

#### 19. Financing Policies

In some respects, the use of cohesion funds to support economic transformation is already well underway through the European Regional Development Fund (ERDF). The ERDF explicitly supports a more competitive and smarter Europe, with funding

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directed towards innovation, research, digitalisation and SME competitiveness.

This means that cohesion policy is already contributing to structural economic change at regional level, rather than simply compensating for regional disparities. Funding can help regions develop new economic strengths, adopt advanced technologies and improve their capacity to innovate.

The emphasis on the green and digital transitions further strengthens this transformative role. ERDF investments can support businesses and regions in adapting to new technologies, improving energy efficiency and developing more sustainable production models.

There is therefore a strong argument for viewing cohesion policy as an instrument of economic transformation as well as territorial convergence. The experience of ERDF suggests that the necessary funding mechanisms and delivery structures are already largely in place.

The challenge is to ensure that these investments generate lasting changes in regional economies rather than isolated projects. This requires stronger links between cohesion funding, regional innovation strategies, skills development and private-sector investment.

It also raises the question of whether future cohesion policy should place greater emphasis on transformative investment, particularly in regions facing industrial restructuring or technological change. In this sense, the existing ERDF experience could provide a useful foundation for a broader approach to economic transformation.

At the same time, transformation should remain compatible with the core objective of cohesion policy: reducing economic, social and territorial disparities between regions. The two objectives do not necessarily conflict, provided that transformative investment is targeted towards regions that need support in adapting to structural change.

Urban-based use of cohesion funding may, under certain circumstances, offer greater potential to generate economic added value and a higher return per euro spent. This is particularly the case where investments can exploit agglomeration effects, whereby concentrations of firms, workers, knowledge institutions and infrastructure generate productivity gains through greater sharing, matching and learning. Evidence cited by the European Commission suggests that productivity tends to increase with city size, although the relationship is not linear and depends on the quality of urban institutions, infrastructure and human capital.

The case for an urban focus is strongest where relatively modest EU investment can unlock much larger economic effects. This might occur, for example, when cohesion funding addresses a binding constraint on growth: poor transport connectivity, inadequate digital infrastructure, weak innovation ecosystems, shortages of skilled labour, brownfield sites or barriers to business expansion. In such circumstances, EU funding can potentially crowd in

private investment rather than substitute for investment that would have occurred anyway. The Commission's analysis similarly emphasises that cohesion funding can generate additional private investment where market failures or public-good characteristics limit investment by the private sector.

However, this does not mean that funding should simply be concentrated in the largest cities. The strongest case is likely to be for investment in functional urban areas, where the benefits extend beyond the administrative boundaries of the core city into surrounding towns and regions. This is already reflected in the current ERDF framework, which explicitly supports integrated territorial development in urban and functional urban areas and requires Member States to allocate at least 8% of ERDF resources to sustainable urban development.

The potential return is therefore greatest where urban investment creates wider regional spillovers — for example through improved labour-market access, stronger supply chains, innovation diffusion and better connectivity between cities and their surrounding regions. This is particularly important for cohesion policy because the objective should not simply be to maximise GDP generated within cities, but to maximise the wider territorial benefits generated by investment.

There is also a strong argument for prioritising projects that combine several dimensions of transformation rather than isolated infrastructure projects. An investment in public transport, for example, may have a much greater economic impact when combined with housing, skills, urban regeneration and business-development measures. The EU's approach to sustainable urban development explicitly promotes such integrated territorial strategies and multi-level governance.

The counterargument is that concentrating resources in already successful urban economies could potentially widen territorial disparities. Cohesion policy therefore needs to distinguish between urban investment that generates spillovers and urban investment that merely reinforces existing concentration. The relevant question is not whether a project is located in a city, but whether it addresses a genuine market or coordination failure and generates additional economic activity that would otherwise not occur.

Consequently, a stronger urban orientation could be justified where three conditions are met: first, there are significant agglomeration or network effects; second, EU funding can unlock substantial complementary public or private investment; and third, the benefits extend beyond the immediate urban area. Under these conditions, urban-based cohesion investment may provide a particularly strong combination of economic transformation, measurable additionality and territorial spillovers.

This would suggest a shift from asking simply "where is cohesion funding needed most?" towards asking "where can cohesion funding generate the greatest additional economic and territorial impact?" The two questions will often point towards the same places, but not always. A place-based approach should therefore

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retain a strong cohesion rationale while giving greater weight to the potential multiplier effects and wider spillovers of investment.

At the institutional level, the critical condition is the existence of a clear and durable **uptake mechanism**. UAEU Partnerships bring together the European Commission, Member States, cities and stakeholders and are particularly effective at generating integrated policy solutions. However, their influence remains limited when recommendations remain confined to Partnership Action Plans rather than being taken up by the institutions responsible for legislation, Cohesion Policy programming and territorial investment. Each significant recommendation therefore needs an identifiable institutional owner and a clear route into subsequent policy processes. Commission services should be able to indicate how relevant recommendations inform EU legislation, guidance and funding instruments, while national and regional authorities should demonstrate how they are reflected in Partnership Agreements, programmes and territorial strategies. At the urban level, cities and metropolitan authorities need mechanisms for translating these recommendations into investment portfolios and regulatory or planning measures.

This institutional link is particularly important for Cohesion Policy. The 2021–2027 framework has strengthened the role of urban authorities, including through the allocation of ERDF resources to sustainable urban development and the use of territorial instruments. The potential contribution of UAEU Partnerships is therefore greatest when their recommendations can be connected directly to these programming structures. Rather than functioning as additional policy documents, Partnership recommendations should inform the design of territorial strategies, investment priorities, selection criteria, capacity-building measures and implementation arrangements. The decisive question is consequently not whether a recommendation has been formally endorsed, but whether it changes the way funding priorities are defined and investments are selected and delivered.

Financial conditions are equally decisive. A recommendation is considerably more likely to be implemented when it has a clear **funding hook**: an identifiable source of finance, an eligible investment category and an institution capable of deploying the resources. This does not necessarily mean that the UAEU itself needs to control dedicated funding. Its added value lies in reducing the distance between policy recommendations and existing financial instruments, including ERDF and ESF+, national and regional programmes, the European Urban Initiative, European Investment Bank and InvestEU financing, and municipal or private investment. The most effective model is therefore one in which a Partnership recommendation can be translated into a territorial strategy, connected to an investment pipeline and matched with an appropriate combination of EU, national, regional and local resources.

The quality of financing matters as much as its availability. Cities require predictable and sufficiently flexible resources that can support multiannual investment, combine different sources

of finance and accommodate the realities of territorial projects. Administrative complexity can otherwise make nominally available funding inaccessible, particularly for smaller municipalities. Technical assistance and project-development support are therefore not secondary measures but essential components of the implementation architecture. For medium-sized cities and towns, access to expertise in project preparation, procurement, financial engineering, public-private partnerships and EU funding can determine whether an ambitious policy recommendation becomes an investable project.

Governance is the third critical condition, particularly because the geographical scale of urban challenges rarely corresponds neatly to municipal boundaries. Climate adaptation, mobility, housing, energy, air quality, biodiversity and land-use planning are typically **functional urban-area challenges**. Metropolitan areas therefore require governance arrangements capable of coordinating municipalities and aligning transport, spatial planning, housing, infrastructure and environmental investment. Where metropolitan governance is fragmented, even well-funded interventions can remain partial or contradictory. The ability of UAEU recommendations to influence implementation is consequently enhanced when they are connected to metropolitan or functional-area strategies rather than being implemented solely through individual municipal administrations.

The governance challenge is different in large, medium-sized and smaller cities. Large cities generally possess greater administrative capacity and may have sufficient control over planning, investment and service provision to implement integrated strategies directly. Medium-sized cities often face a more significant capacity constraint and may need to cooperate with neighbouring municipalities, regional authorities and intermediary organisations to achieve the necessary scale. Smaller towns face an even greater challenge: the main obstacle may not be political commitment but the lack of staff, technical expertise and project-development capacity required to access and manage European funding. For these places, shared services, intermunicipal cooperation, regional support structures and simplified funding arrangements can be more important than additional policy guidance.

This differentiation is essential. The UAEU should not assume that the same implementation model will work across metropolitan areas, large cities, medium-sized cities and towns. **The governance architecture needs to be proportionate to territorial capacity and aligned with the geography of the policy problem.** Metropolitan areas need mechanisms for overcoming institutional fragmentation; large cities need integration across administrative departments and investment portfolios; medium-sized cities need cooperation and capacity pooling; and smaller towns need simplified access to finance, technical assistance and intermediary support.

The capacity to implement integrated policies is itself a fundamental governance condition. Green Deal implementation, in particular, requires cities to move beyond individual

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environmental projects and develop integrated investment approaches. Building renovation, for example, intersects with housing affordability, energy poverty, energy infrastructure and social policy. Green infrastructure connects climate adaptation with biodiversity, water management, public health and spatial planning. Sustainable mobility involves transport, land use, housing, air quality and social inclusion. UAEU Partnerships can add significant value by bringing these policy dimensions together, but their recommendations will only have transformative effects if corresponding coordination mechanisms exist within national, regional, metropolitan and municipal administrations.

The European Union does not, in any formal constitutional sense, possess an urban policy. Competence over land use, housing, and municipal governance remains firmly national, and in many member states, regional or local. What exists instead is a patchwork of financial instruments — chief among them Cohesion Policy, which channels more than €100 billion into urban areas over the current 2021–2027 programming period — bound together by soft coordination frameworks such as the Leipzig Charter and the Pact of Amsterdam. This architecture allows the Union considerable influence over the built environment of European cities while formally disclaiming any authority to govern them directly.

That arrangement has proven durable but not frictionless. As the Commission and Council move toward a new budgetary settlement for 2028–2034, three recurring conflicts illustrate the structural tensions embedded in EU urban governance: a governance conflict over who controls the disbursement of urban funds; a legitimacy conflict over how proximity-oriented planning is imposed and by whom; and a distributive conflict over *who bears the cost* of the EU's own decarbonisation mandates. Each is examined in turn below.

Cohesion Policy funds do not flow directly from Brussels to municipal treasuries. They are routed through national or regional managing authorities, which retain substantial discretion over which local projects receive support. This intermediation has long been a source of frustration for city leaders, particularly those whose political orientation diverges from that of their national government.

The clearest articulation of this grievance came from the self-styled "Pact of Free Cities," formed in December 2019 by the mayors of Budapest, Bratislava, Prague, and Warsaw. The coalition sought a commitment that national governments would allocate at least ten percent of EU cohesion subsidies to cities without political bias, and pressed the Commission for direct access to funding under the European Green Deal. The framing offered by Budapest's mayor, Gergely Karácsony, is instructive: he argued that EU decision-making structures inadvertently reward governments obstructing the Union's own objectives, and proposed direct municipal funding as a corrective mechanism.

This is not a marginal or episodic complaint. Eurocities, the principal network representing European municipalities, has formally called for city administrations to receive more direct access to EU funds specifically to reduce dependence on national governments and to address the problem of political misalignment between local and national authorities.</cite> Survey evidence reinforces the point: Eurocities survey found that eighty-five percent of European mayors wanted increased funding from both EU and national sources, a figure that signals dissatisfaction not merely with funding levels but with the channels through which funding arrives.

The Commission's 2028–2032 budget proposal has, if anything, sharpened this conflict rather than resolved it. proposed "National and Regional Partnership Plans," intended to simplify and consolidate EU funding streams, have been criticised by city networks as a centralising measure that risks weakening Cohesion Policy and further marginalising local government from the design and implementation of urban investment. The irony is not lost on observers of EU governance: a reform ostensibly aimed at administrative simplification is read by its intended beneficiaries as a consolidation of exactly the intermediary control they had sought to circumvent.

A further condition concerns monitoring and accountability. The implementation of UAEU recommendations should be assessed not only through the activities of the Partnerships themselves but through their subsequent **policy and investment uptake**. Producing an Action Plan, establishing networks and organising knowledge exchange are important outputs, but they do not in themselves demonstrate policy impact. A stronger monitoring framework would follow recommendations through the entire implementation chain: whether they were considered by EU and national institutions, whether they influenced legislation or guidance, whether they entered Cohesion Policy programmes, whether funding was allocated, whether cities incorporated them into territorial strategies, whether projects were implemented and, ultimately, whether measurable improvements in environmental, social and economic outcomes were achieved.

This distinction **between output, uptake and impact** is particularly important for the Green Deal. A Partnership may successfully produce recommendations on urban greening, climate adaptation or circularity without those recommendations substantially changing investment patterns. Conversely, a relatively modest recommendation can have significant impact if it is incorporated into programme rules, receives dedicated technical assistance and becomes part of a large investment pipeline. The effectiveness of the UAEU should therefore be judged increasingly by its capacity to influence systems of decision-making rather than by the volume of recommendations it produces.

| <b>Territorial scale</b>                              | <b>Condition for successful uptake</b>                                                                                                                                                 | <b>Approx. number in EU</b>                                           | <b>Indicative contribution to EU GDP</b>                                                                                               | <b>Comparable situation in Rest of World (RoW)</b>                                                                                                    | <b>Governance complexity</b> | <b>Administrative capacity</b> | <b>Investment capacity</b> |
|-------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|--------------------------------|----------------------------|
| Metropolitan areas                                    | A durable metropolitan/functional-area authority or cooperation mechanism capable of coordinating municipalities, transport, land use, housing, climate and infrastructure investment. | ~250–300 Functional Urban Areas (FUAs) in the EU (OECD Data Explorer) | Metropolitan regions generate about 67% of EU GDP while hosting around 59% of the population. (EUR-Lex)                                | Large metropolitan regions dominate economic output globally; in OECD countries, larger metropolitan areas exhibit the highest GDP per capita. (OECD) | Very high                    | High                           | Very high                  |
| Large cities                                          | Strong administrative capacity plus direct control or influence over investment programming, procurement and sectoral policies.                                                        | ~700–900 cities above 100,000 inhabitants (depending on definition)   | Major urban centres account for a disproportionate share of innovation, employment and productivity growth. (OECD)                     | Similar role in North America, East Asia and Latin America, where large cities concentrate knowledge-intensive activities. (OECD)                     | High                         | High                           | High                       |
| Medium-sized cities                                   | Intermunicipal cooperation, regional/national technical assistance and mechanisms for pooling scarce expertise and investment capacity.                                                | ~2,000–3,000 cities/towns                                             | Significant contributors to regional economies and territorial cohesion; often act as regional service and employment hubs. (EUR-Lex)  | Particularly important in Europe compared with many regions of the world due to the polycentric settlement structure. (EUR-Lex)                       | Medium                       | Medium                         | Medium                     |
| Small towns                                           | Simple access to funding, intermediaries/shared services, project-development assistance and participation mechanisms that compensate for limited administrative capacity.             | >10,000 small towns and local centres                                 | Individually modest economic contribution but collectively important for territorial cohesion, service provision and local resilience. | Similar challenges globally, especially in rural and peripheral regions facing capacity constraints.                                                  | Low                          | Low                            | Low                        |
| Rural/peripheral areas (optional additional category) | Strong support from regional/national institutions, place-based strategies, digital connectivity and service-sharing arrangements.                                                     | Large territorial coverage but relatively small share of population   | Lower direct GDP contribution but important for food systems, ecosystems, energy production and territorial balance.                   | Similar across OECD and developing economies, though often with greater infrastructure gaps in developing countries.                                  | Low–Medium                   | Low                            | Low                        |

## 19.1. Key Takeaways (Amplified)

### 19.1.1. Metropolitan Areas are the Economic Engines of Europe

Although they represent only a few hundred functional urban areas, metropolitan regions generate roughly two-thirds of EU GDP and concentrate the highest levels of productivity, innovation, investment, and infrastructure. Successful policy uptake at this scale depends less on funding availability and more on effective metropolitan governance capable of coordinating multiple municipalities and sectors across a functional territory.

### 19.1.2. Large Cities have the Capacity to Act but Require Strategic Alignment

Large cities generally possess strong administrative structures, technical expertise, and investment management capabilities. Their challenge is not basic capacity but aligning investments, procurement, land-use planning, climate action, and sectoral policies around integrated development objectives. They can often act as early adopters and demonstrators of new policy approaches.

### 19.1.3. Medium-Sized Cities are Europe's Territorial Backbone but Face Capacity Constraints

Europe's urban system is more polycentric than those of many other world regions, making medium-sized cities particularly important

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for regional development and territorial cohesion. However, these cities often lack the scale and expertise available in metropolitan areas. Their success depends heavily on intermunicipal cooperation, shared services, access to technical assistance, and support from regional or national authorities.

#### **19.1.4. Small Towns Face a Capacity rather than an Ambition Gap**

Many small towns have significant development needs and local ambition but lack the administrative, financial, and technical resources to design, manage, and implement complex projects. Simplified funding procedures, project-development support, intermediaries, and shared administrative services are often more important than additional funding alone.

#### **19.1.5. The Governance Challenge Increases as Administrative Capacity Decreases**

While metropolitan areas must manage complex governance arrangements among many actors, they generally possess the resources to do so. Smaller places often face the opposite situation: governance arrangements may be simpler, but limited staff, expertise, and financial resources create significant implementation barriers.

#### **19.1.6. A One-Size-Fits-All Policy Approach is Unlikely to Succeed**

The conditions required for successful uptake vary substantially across territorial scales. Metropolitan regions benefit most from integrated governance mechanisms, whereas smaller municipalities require simplification, external support, and capacity-building measures. Policies designed primarily around the capabilities of large cities risk excluding medium-sized cities and small towns.

#### **19.1.7. Economic Importance and Implementation needs do not Always Coincide**

Metropolitan areas contribute the largest share of economic output and often attract the most investment, but the greatest need for institutional support is frequently found in smaller cities and towns. This creates a policy tension between maximizing economic returns and ensuring territorial cohesion and balanced development.

#### **19.1.8. Europe's Polycentric Urban Structure is both an Opportunity and a Challenge**

Compared with many regions of the world where economic activity is concentrated in a small number of megacities, Europe relies on a dense network of medium-sized cities and towns. This supports territorial balance and resilience but requires stronger coordination mechanisms and wider distribution of technical and financial support.

#### **19.1.9. Investment Capacity Follows a Steep Territorial Gradient**

Metropolitan areas can typically attract private capital and manage large-scale investments, while medium-sized cities and small towns often struggle to develop bankable projects or access financing.

Dedicated project-preparation facilities and pooled investment mechanisms become increasingly important as city size decreases.

#### **Policy Effectiveness Depends as Much on Institutional Capacity as on Financial Resources**

Across all territorial scales, the decisive factor is often not the amount of funding available but whether local institutions possess the governance arrangements, expertise, and administrative capacity necessary to translate resources into tangible outcomes. Investments in institutional capacity can therefore have returns comparable to, or greater than, investments in infrastructure itself.

The emerging policy environment creates an important opportunity to strengthen this connection. The EU's evolving urban policy framework places greater emphasis on continuous dialogue with cities, territorial approaches and stronger links between urban needs and EU investment. The 2028–2034 Cohesion Policy architecture could provide an especially important opportunity if urban authorities are meaningfully involved in shaping national and regional investment priorities and if UAEU recommendations are systematically fed into these processes. The Partnerships could then function as an upstream source of tested policy solutions that inform programming, rather than as a parallel process operating outside the main Cohesion Policy cycle.

Overall, the evidence points towards a **conditional relationship between UAEU Partnerships and implementation**. The Partnerships are particularly effective as mechanisms for generating shared knowledge, building trust across levels of government and developing integrated policy solutions. Their capacity to influence Cohesion Policy and the Green Deal, however, depends on what happens after the Partnership process. Impact becomes substantially greater when recommendations are institutionally owned, incorporated into programming, linked to identifiable financial resources, supported by adequate administrative capacity and implemented at the geographical scale appropriate to the problem.

The main challenge is to **bridge the gap between European policy development and implementation on the ground**. UAEU Partnerships can generate knowledge, facilitate dialogue and develop jointly agreed solutions, but their ability to deliver tangible results depends on the capacity of EU, national, regional and local institutions to translate these outcomes into action. This requires stronger coordination, sufficient administrative capacity and accessible funding, as well as a clear and continuous link between policy recommendations, programming decisions, investment and measurable territorial impacts.

In this sense, the most successful model is not one in which the UAEU simply produces better recommendations. It is one in which **recommendations become embedded in the machinery of Cohesion Policy and Green Deal delivery**. When institutional ownership, appropriate territorial governance, accessible finance, implementation capacity and outcome-oriented monitoring reinforce one another, the UAEU can move beyond knowledge

exchange and become a genuine mechanism for translating European urban priorities into differentiated, place-based action across metropolitan areas, large cities, medium-sized cities and towns.

We argue for the establishment of an EU Centre of Excellence for Urban Governance that would bring together and better coordinate the EU institutions, programmes and support functions dealing with urban matters. Rather than creating another standalone structure, the Centre could provide a common institutional hub for city-related expertise, policy coordination, technical assistance, capacity-building and knowledge exchange. By concentrating urban-related functions and expertise within a more coherent framework, it could strengthen the connection between EU urban policy and territorial implementation, facilitate coordination across Commission services and Member States, and provide cities and metropolitan areas with a clearer entry point into EU funding, policy and technical support. This would help bridge the gap between European policy development and implementation on the ground, ensuring that urban recommendations are more systematically translated into Cohesion Policy programming, Green Deal investments and place-based outcomes.

If the objective is to avoid the EU evolving into an overly centralized, prescriptive, or bureaucratic "nanny state," while still achieving cohesion, competitiveness, and sustainability objectives, several principles emerge.

The EU should avoid **over-prescribing local solutions from the centre**. Territorial challenges vary enormously between metropolitan regions, medium-sized cities, small towns, and rural areas. European institutions should focus on defining strategic goals and outcomes—such as decarbonisation, resilience, affordability, connectivity, and inclusion—while allowing Member States and local authorities flexibility in how they achieve them. Excessive standardisation risks reducing innovation and weakening local ownership.

<sup>4</sup><https://www.cor.europa.eu/en/our-work/opinions/cdr-3723-2024?>

The EU should avoid **equating more regulation with better implementation**. Many local authorities, particularly smaller municipalities, struggle not because they lack ambition but because they face increasingly complex compliance, reporting, auditing, and administrative requirements. Additional rules can sometimes reduce the capacity of local actors to focus on delivery. Simplification should therefore become a policy objective in its own right.

The EU should avoid **micromanaging investment decisions**. European funding is most effective when it establishes broad strategic priorities and accountability frameworks while leaving room for territorial adaptation. Decisions about the precise design of housing projects, mobility systems, public spaces, local energy solutions, or service delivery models are often best taken at the level closest to citizens.

The EU should avoid **creating dependency on subsidies**. Cohesion policy should strengthen local economic capacity, institutional capability, and private investment mobilisation rather than encourage long-term reliance on grants. Funding should increasingly support structural transformation, innovation, and capacity-building rather than permanent compensation mechanisms.

The EU should avoid **concentrating decision-making exclusively in Brussels or national capitals**. A key strength of the European model is multilevel governance. Regions, cities, metropolitan authorities, and local communities should remain active partners in policy design and implementation. Strong local institutions create resilience and democratic legitimacy.

The EU should avoid **treating all territories as if they face identical challenges**. Place-blind policies often produce unintended consequences, benefiting territories that already possess strong administrative and financial capacity while leaving weaker areas behind. A place-sensitive approach is not about more intervention; it is about smarter intervention tailored to local realities.

The EU should avoid **measuring success solely through compliance and fund absorption**. High spending rates and perfect procedural compliance do not necessarily translate into improved economic performance, better services, greater resilience, or higher quality of life. Evaluation frameworks should focus more on outcomes and impacts than on administrative processes.

The EU should avoid **crowding out private initiative, civic action, and local experimentation**. Many successful innovations in energy, mobility, housing, social services, and digital transformation emerge from cities, businesses, universities, and civil society. European policy should create enabling conditions and incentives rather than attempt to direct every aspect of implementation.

Ultimately, the challenge for the EU is not whether it intervenes, but how it intervenes. A strong European Union is not necessarily one that makes more decisions itself. Rather, it is one that sets clear strategic objectives, provides resources and common frameworks where collective action adds value, and then empowers Member States, regions, cities, businesses, and citizens to develop solutions suited to their own circumstances. The distinction is between a Union that governs through detailed control and one that governs through subsidiarity, trust, capacity-building, and accountability for results. The latter is generally more compatible with both European diversity and democratic legitimacy.

To prevent the worst territorial, economic and social outcomes while simultaneously spurring growth, the EU should pursue a **"minimum necessary intervention, maximum enabling effect"** approach.

The EU should **protect against major market, territorial and social failures**, while avoiding the temptation to manage development from the centre. Its role should be to set common

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objectives, remove barriers, provide strategic investment where markets and national systems cannot deliver, and empower Member States, regions and cities to determine how best to achieve results.

The priority should be to **prevent persistent territorial decline before it becomes irreversible**. This means focusing European support on places at risk of economic stagnation, demographic decline, loss of essential services, weak connectivity and inadequate administrative capacity. Early intervention is generally less costly than attempting to reverse deep structural decline later. At the same time, the EU should **concentrate investment where it can unlock growth**. Metropolitan areas and large cities should be able to invest rapidly in infrastructure, innovation, housing, energy, digitalisation and productivity, because their economic dynamism generates spillovers beyond their administrative boundaries. But this should be complemented by investment in medium-sized cities that connect metropolitan economies with smaller towns and rural areas.

The EU should also **make it easier to invest rather than simply providing more money**. Faster permitting, simpler procurement, fewer reporting requirements, better project preparation, access to technical expertise and stronger pipelines of investable projects can have a greater growth effect than increasing the number of funding programmes.

A central principle should be “**fund outcomes, not bureaucracy**.” European programmes should establish clear objectives and safeguards, but give local and national authorities substantially more freedom over implementation. Funding should be judged primarily by whether it creates jobs, raises productivity, improves connectivity, reduces emissions, strengthens resilience and improves living conditions—not by the volume of paperwork produced.

The EU should **mobilise private capital rather than substitute for it**. Public funding should increasingly be used to de-risk strategic investments, improve project viability and crowd in private finance. This is particularly important for infrastructure, energy, housing, digital networks and innovation, where the scale of investment required cannot be met through public grants alone. Finally, the EU should maintain a clear “**do no harm**” floor: prevent extreme territorial divergence, infrastructure gaps, loss of essential services, energy insecurity, environmental degradation and exclusion from the digital and economic transitions. Above that floor, however, territories should have considerable freedom to experiment, compete and pursue different development models.

**In short: the EU should prevent decline, remove barriers to growth, invest strategically, and then get out of the way or leave sustainment under urban partnerships.** The member states administer more than 40% of the EU budget, in any event. Its comparative advantage is not in telling every city or region what to do; it is in creating the conditions under which European places can grow, adapt and innovate. This would allow the EU to combine **cohesion with competitiveness, protection with dynamism, and**

**solidarity with responsibility**, without drifting towards an over-centralised “nanny state.”

## 19.2. Summary

Europe's territorial diversity requires a more differentiated approach to funding than has often been applied in previous programming periods. The evidence suggests that the effectiveness of EU investments depends not only on the amount of funding available but also on the governance structures, administrative capacity, and functional role of different territorial scales. As a result, future EU funding frameworks should increasingly adopt a place-sensitive approach that aligns investment priorities with the specific characteristics and capabilities of metropolitan areas, large cities, medium-sized cities, small towns, and rural territories.

From an EU funding perspective, metropolitan areas deserve particular attention because they represent the principal engines of European economic growth, innovation, and productivity. Although they account for a relatively limited number of territories, they generate the majority of EU economic output and concentrate strategic assets such as research institutions, innovation ecosystems, transport hubs, and advanced service sectors. Investments in metropolitan regions therefore have the potential to deliver substantial economic returns and accelerate the Union's objectives related to competitiveness, decarbonisation, digital transformation, energy security, and strategic autonomy. However, the effectiveness of such investments depends on the existence of robust metropolitan governance arrangements capable of coordinating actions across municipal boundaries and sectoral policies.

Large cities occupy an intermediate position, combining significant implementation capacity with strong influence over investment programming, procurement, housing, mobility, and climate policies. They are often well placed to act as demonstrators of integrated urban development and can accelerate the diffusion of innovation and policy experimentation across wider territories. Continued support for integrated urban strategies remains important, particularly in areas such as affordable housing, sustainable mobility, climate adaptation, circular economy initiatives, and digital public services.

The strongest case for differentiated support emerges in relation to medium-sized cities. These cities form the backbone of Europe's distinctive polycentric urban system and play a critical role in ensuring balanced territorial development. Unlike many other world regions, where economic activity is concentrated in a small number of large metropolitan centres, Europe relies on an extensive network of medium-sized cities that serve as regional employment centres, service hubs, and connectors between metropolitan and rural areas. Yet these cities frequently lack the administrative capacity, technical expertise, and investment scale available to larger urban centres. Future funding frameworks should therefore place greater emphasis on strengthening intermunicipal cooperation, supporting shared services, enhancing technical assistance, and facilitating access to investment and

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project development expertise. Such measures may yield returns that exceed those achievable through infrastructure funding alone.

For small towns, the primary challenge is rarely the absence of development needs or local ambition. Rather, it is the limited administrative and technical capacity required to access, manage, and implement increasingly complex funding programmes. Simplified funding procedures, streamlined application requirements, project preparation facilities, intermediary organisations, and shared administrative services are therefore likely to have a greater impact than simply increasing available resources. Without such measures, smaller municipalities risk remaining structurally disadvantaged in their ability to absorb EU funds and participate in strategic initiatives.

These considerations carry important implications for Member States. National governments play a decisive role in translating European priorities into territorial outcomes and in determining whether investment benefits are concentrated in a small number of major urban centres or distributed more broadly across national territories. While investments in capital cities and metropolitan regions often generate the highest immediate economic returns, excessive concentration risks reinforcing territorial disparities, accelerating demographic decline in peripheral regions, and weakening social and political cohesion. Member States therefore face the challenge of balancing economic efficiency with territorial equity.

Achieving this balance requires stronger regional governance arrangements, more effective coordination between levels of government, and sustained investment in local administrative capacity. National technical assistance systems, regional development agencies, project preparation platforms, and shared-service models can significantly improve the ability of medium-sized cities and small towns to access and absorb European funding. Equally important is the alignment of transport, housing, digital infrastructure, and spatial planning policies with broader territorial development objectives.

The implications for urban–rural relations are equally significant. The traditional framing of urban and rural areas as competing recipients of public investment is increasingly inadequate. Economic performance, social cohesion, environmental sustainability, and territorial resilience depend on the quality of connections between different types of places rather than on the success of any single territorial category. Metropolitan areas drive innovation, investment, and international competitiveness; medium-sized cities provide regional connectivity and service provision; small towns anchor local economies and public services; and rural areas contribute critical assets including food production, renewable energy potential, ecosystem services, biodiversity, and climate resilience.

A more integrated territorial perspective therefore suggests that the objective of EU policy should not be to choose between urban and rural priorities but to strengthen the functional relationships that link them. Investments in transport connectivity, digital

infrastructure, public services, innovation networks, and regional value chains can generate benefits that extend across territorial boundaries and support both competitiveness and cohesion objectives simultaneously.

The overarching strategic implication is that future EU funding should move beyond a uniform territorial logic towards a differentiated model that recognises the distinct economic functions, governance capacities, and development needs of different places. Competitiveness objectives will continue to require significant investment in metropolitan regions and major cities, where economic returns are highest. At the same time, cohesion objectives will increasingly depend on empowering medium-sized cities, small towns, and rural territories to participate effectively in the green and digital transitions. The success of future European territorial development policy will therefore depend not on choosing between growth and cohesion, or between urban and rural areas, but on designing investment systems that recognise their interdependence and strengthen the networks that connect them.

## 20. Designing the Building

Imagining the **building housing the EU Center of Excellence in Metropolitan Governance (EUCEMG)** means envisioning a structure that physically embodies the principles of multi level governance, transparency, and ecological intelligence.

The architecture would be conceived as a **metropolitan agora** — a hybrid between civic forum and research institute. Its spatial logic would express the interplay between data, dialogue, and decision making. The ground level would open directly to the city, functioning as a public interface where citizens, researchers, and policymakers converge. Above, a series of terraced volumes would host directorates and laboratories, each connected by bridges and atria that symbolize inter directorate collaboration.

The building's envelope would use adaptive materials similar to those of the Camouflage Pavilion: bronze, ceramic, and glass panels that shift tone with light, representing the dynamic nature of metropolitan governance. Inside, the atrium would act as a vertical commons — a transparent core linking all floors, filled with vegetation and natural light. Circulation paths would spiral upward, echoing the iterative nature of policy development.

At the top, a **Metropolitan Observatory** would overlook the urban landscape, equipped with data visualization walls and panoramic views, turning observation into civic spectacle. The structure would merge architecture and governance: its transparency would mirror institutional openness, its branching supports would symbolize multi level coordination, and its material palette would root the institution in the European ecological contestation.

**The architectural brief** for the EU Center of Excellence in Metropolitan Governance (EUCEMG) unfolds as a spatial translation of European multi level governance — a building that performs as both civic infrastructure and epistemic instrument.

The **outer design** operates as a metropolitan interface. Its layered façade of glass, bronze, and perforated metal expresses permeability between the institution and the city. Each material responds to light and climate, creating a dynamic skin that embodies transparency and adaptability. Terraced volumes and skybridges articulate the polycentric logic of European metropolitan regions, while the public plaza and reflecting pool extend the building's civic presence into the urban fabric. The exterior thus becomes a performative surface — a living metaphor for governance that is open, responsive, and collaborative.

The **inner design** is structured around a vertical atrium that functions as a metropolitan agora. This space connects all directorates, laboratories, and meeting zones through bridges and staircases, ensuring visual and physical continuity. Workflows follow a principle of permeability: directorates are arranged in clusters that encourage cross disciplinary exchange, with shared collaboration zones and transparent data walls. Circulation paths spiral upward, allowing staff and visitors to experience governance as a continuous process of dialogue and iteration.

The **logic of workflows** is based on horizontal and vertical integration. Information flows upward through the atrium to the Metropolitan Observatory and downward to the public forum, symbolizing the exchange between foresight and participation. Decision making spaces are positioned at intersections of circulation, reinforcing the idea that governance emerges from encounter rather than isolation.

The **visitor experience** is choreographed as a civic journey. Upon entering, visitors pass through a sequence of spatial thresholds — from the open plaza to the exhibition gallery, then into the atrium and observation deck. Each transition reveals a new layer of metropolitan intelligence: data visualizations, collaborative studios, and panoramic views of the city. Light, sound, and material gradients guide movement, turning the building into a narrative of European governance itself. In essence, the EUCEMG headquarters embodies a **governance architecture** — one that transforms institutional transparency into spatial experience, and metropolitan complexity into architectural coherence.



Figure

The architecture of the EUCEMG headquarters materializes the core principles of European metropolitan governance theory, which argues that cities and metropolitan regions function as multi scalar systems requiring coordination across administrative boundaries. The building's terraced volumes embody the theory's emphasis on polycentricity, showing how metropolitan areas

operate through distributed nodes rather than a single dominant center. Its transparent atrium reflects the normative commitment to openness and participatory governance found in the Leipzig Charter and the Urban Agenda for the EU. The vertical commons spatially expresses the idea that metropolitan governance is a continuous negotiation between local knowledge and European

policy frameworks. The clustering of directorates mirrors the theory's insistence on cross sector integration, where mobility, climate, housing, and social inclusion must be addressed as interdependent systems.

The Metropolitan Observatory at the top translates the concept of territorial intelligence into architectural form, making foresight and monitoring visible as metropolitan functions. Circulation paths that spiral upward echo the iterative nature of EU policy cycles, where governance evolves through feedback loops between cities, regions, and European institutions. The public forum at ground level embodies the theory's belief that metropolitan governance must remain anchored in democratic legitimacy and civic dialogue. The building's material palette, shifting with light and climate, reinforces the ecological dimension of metropolitan theory, which frames cities as environmental actors rather than passive territories. Overall, the headquarters becomes a spatial manifesto for European metropolitan governance, turning abstract theoretical principles into a lived architectural experience.

The building's spatial program is conceived as an architectural translation of metropolitan governance, where each layer of space corresponds to a layer of institutional function. The ground level and lower terraces form the civic interface, a zone where governance becomes publicly visible and socially accessible. The public forum hall opens directly onto the reflecting pool, creating a threshold where citizens encounter the institution through debate, hearings, and civic assemblies. Adjacent to this, the exhibition gallery presents metropolitan data, cartographies, and prototypes, making complex territorial dynamics legible to visitors. The urban living lab operates as a co creation studio where researchers and citizens collaborate on metropolitan solutions, reinforcing the participatory ethos of the institution. A café and commons terrace extend this civic domain outward, encouraging informal dialogue and making the building feel porous rather than enclosed.

Above this civic layer, the metropolitan intelligence zone forms the analytical and collaborative core of the institution. The metropolitan data observatory occupies a double height volume filled with immersive data walls and real time dashboards, transforming metropolitan dynamics into a shared visual language. Directorate clusters are arranged on terraced volumes that remain visually connected through the atrium, ensuring permeability between disciplines and enabling cross sector collaboration. Bridges link these clusters, functioning as decision corridors where teams meet and negotiate. Policy simulation rooms provide spaces for modelling climate, mobility, housing, and demographic transitions, while open research studios accommodate rotating fellows and institutional partners, reinforcing the building's role as a European knowledge hub.

The upper floors form the institutional coordination layer, where strategic and foresight activities take place. The executive directorate is positioned centrally for symbolic visibility and operational coherence, while the circular council chamber hosts high level negotiations between EU institutions and metropolitan authorities. The foresight studio supports long term scenario planning and horizon scanning. The rooftop metropolitan observatory, visible in the image you provided, offers panoramic views of the city and serves as a symbolic vantage point where analysis and territorial awareness converge.

The interior logic of the building is organized around a vertical commons, a multi level atrium that acts as the spatial and symbolic heart of the institution. Transparency becomes a workflow principle: directorates remain visually connected, reinforcing cross sector collaboration. Circulation spirals upward, mirroring the iterative nature of policy development. Bridges are placed at key intersections to encourage spontaneous encounters, making governance a choreography of movement and dialogue. Terraces host directorate clusters and outdoor meeting spaces, creating a gradient from public to semi public to institutional zones. Material choices reinforce this logic: bronze screens filter light into warm tones, glass surfaces signal openness, and vegetation along terraces and atrium edges expresses ecological governance principles.

The visitor experience is choreographed as a civic journey. Arrival at the reflecting pool frames the building as a luminous metropolitan landmark. Entry into the public forum introduces governance through dialogue and civic presence. As visitors ascend through the atrium, they witness the institution at work: data visualizations, collaborative studios, and negotiation spaces. The metropolitan observatory at the top transforms foresight into a tangible experience through panoramic views. The descent through exhibition spaces completes the journey, leaving visitors with a sense of metropolitan complexity and European ambition.

## 20.1. Proposed Annual Pilgrimage to the Golden Fallos Festival

In the area of the EU Center of Excellence in Metropolitan Governance, it is proposed an annual pilgrimage is undertaken. **A gold clad vertical monolith**, reflective and exaggerated, rising from a plaza like a deliberately over assertive gesture of metropolitan authority. Its surface would be polished anodized aluminum in a deep golden hue, catching sunset light and projecting a theatrical presence across the square. The form would be intentionally provocative in its simplicity — a pure cylinder or obelisk — referencing the critique of phallic monumentalism in urban theory. In this interpretation, the “golden” aspect becomes a commentary on prestige, ego, and the spectacle of governance architecture. The surrounding landscape could reinforce the satire: a minimalist reflecting pool, a ring of benches, and a subtle inscription framing the object as a study in power, symbolism, and metropolitan identity.



**An annual festival PULA DE AUR could then take place in honor of the Golden Fallos.**

The annual pilgrimage begins with the arrival of pilgrims at the festival town, where they receive ceremonial tokens and take part in an opening ceremony featuring prayers, cultural performances, and a welcome procession. Visitors can enjoy traditional food markets and craft exhibitions.

The second day is dedicated to the Golden Pilgrimage Walk, where participants follow a guided route through important cultural and spiritual sites. Pilgrims carry golden symbols representing hope, unity, and prosperity while listening to stories about the history and meaning of the festival.

The third day celebrates arts and heritage through music, dance performances, traditional craft displays, and workshops that allow younger generations to learn cultural skills. We dance around the statue of the Golden Fallos, as an expression of human desire for sin and betrayal of former selves and morals.

The main celebration takes place on the fourth day with a grand procession, the presentation of Golden Fallos honors, community speeches, and an symposium.

The final day concludes with a shared feast, blessings for safe journeys, and the announcement of the theme for the following year's pilgrimage.

The purpose of the annual pilgrimage is to bring people together, celebrate heritage, strengthen community connections, honor traditions, and create a meaningful yearly celebration.

**21. Towards an EU Urban Policy Framework**

**The EU urban and regional policy framework could** as the organising principle connect spatial planning, social inclusion, mobility, innovation, health, governance and sustainability, comparable to the one adopted for Demographic policy outlined by the EU commission research service, Joint Research Council (JRC), based in Sevilla.

**21.1. EU Urban and Regional Policy Framework — 2026**

Work, Employment and Economic Opportunity should form the conceptual centre of the framework. The central objective is to create urban and regional environments in which people can access decent and productive employment, develop relevant skills, participate in economic life and benefit from the opportunities generated by Europe's green and digital transitions. This places the quality, accessibility and spatial distribution of work at the heart of territorial cohesion.

Green Transition and the Future of Work connects decarbonisation with employment transformation. European cities and regions need to anticipate the restructuring of labour markets associated with climate neutrality, circular production, renewable energy and climate adaptation. Investment in green infrastructure

should therefore be accompanied by reskilling, new occupational pathways and support for workers and communities affected by industrial transition.

Mobility and Access to Employment recognises accessibility as a fundamental dimension of labour-market inclusion. Public transport, active mobility, multimodal networks and affordable commuting systems determine whether people can realistically reach employment opportunities. The objective is not simply faster movement through the city, but equitable access to jobs across metropolitan and regional territories, including peripheral and disadvantaged communities.

Housing and Labour-Market Inclusion addresses the relationship between housing costs, residential location and economic participation. Housing affordability increasingly determines where workers can live, how far they must commute and whether businesses can attract and retain talent. An EU work-centred approach would therefore connect housing policy with employment policy, spatial planning and anti-segregation strategies.

Innovation, Skills and Entrepreneurship positions cities and regions as environments for economic experimentation and human-capital development. Research and development ecosystems, universities, vocational education, digital infrastructure, entrepreneurship and lifelong learning should be integrated into local and regional development strategies. Particular attention should be given to anticipating future skills requirements generated by technological and industrial change.

Place, Public Realm and Social Infrastructure recognises that economic activity depends upon the quality of the places in which people interact. Public spaces, cultural institutions, libraries,

childcare facilities, community centres and other forms of social infrastructure contribute to social capital, creativity and economic participation. The city therefore becomes not merely a location for work but an infrastructure for collaboration, belonging and opportunity.

Metropolitan Governance and Territorial Coordination responds to the fact that contemporary labour markets rarely correspond to administrative boundaries. Workers commute across municipalities, businesses operate across metropolitan regions and infrastructure systems connect multiple jurisdictions. Effective policy therefore requires stronger inter-municipal coordination, subsidiarity, metropolitan institutions and cooperation between public authorities, employers, universities and civil society.

Health, Well-being and Quality of Work expands the concept of employment beyond the number of jobs created. Healthy urban environments, occupational health, active mobility, access to green space, work-life balance and protection from environmental risks are increasingly important dimensions of economic resilience. The objective should be to create not simply more employment, but healthier, safer and higher-quality employment.

Food Security, Care and Foundational Urban Economies brings attention to the often overlooked systems that sustain everyday economic life. Food systems, childcare, elderly care, health services, maintenance, logistics and other essential activities provide employment while enabling participation in the wider labour market. Strengthening these systems can simultaneously increase resilience, support local employment and address social inequalities.



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### 21.1.1. The Integrated Policy Proposition

The framework can therefore be understood as a transition from a conventional sector-based urban policy model toward a work-centred territorial model. Rather than asking only how cities can become greener, smarter, healthier or more inclusive, the framework asks how these transformations collectively influence people's ability to access, participate in and benefit from work.

The resulting policy architecture can be expressed conceptually as: EU strategic objectives → Territorial conditions → Access to work → Quality of employment → Social and territorial cohesion

This creates a direct connection between European competitiveness, the European Green Deal, the digital transition, the European Pillar of Social Rights and territorial cohesion. It also provides a framework through which urban and regional policy can address the increasingly important relationship between where people live, where economic opportunities are located, how people move between them, and the quality of work available to them.

### 21.2. The Central Proposition Could Consequently be Stated as:

Work is a territorial outcome. The capacity of European cities and regions to generate inclusive, productive and high-quality employment depends on the interaction between spatial structure, mobility, housing, skills, innovation, governance, health and essential urban systems.

What is the EU spending priority?

What should European funding prioritise?

What is the intervention?

What should cities and regions actually implement?

What is the governance mechanism?

Who coordinates and delivers it across EU, national, regional, metropolitan and municipal levels?

What is the measurable outcome?

How does the intervention improve people's access to, participation in, or quality of work?

The ranking should then be applied to the overall urban policy framework, rather than creating eight different rankings.

The conceptual model

**EU POLICY & SPENDING PRIORITIES**

↓

**EIGHT URBAN POLICY PILLARS**

↓

**TARGETED URBAN/REGIONAL INTERVENTIONS**

↓

**MULTI-LEVEL GOVERNANCE**

↓

**WORK OUTCOMES**

↓

**URBAN PERFORMANCE RANKING**

The key idea is therefore:

EU spending should be assessed by how effectively urban interventions transform the conditions for work, employment and economic opportunity.

And the governance component should determine how effectively a city or region converts EU priorities and funding into actual interventions and outcomes.

### 21.3. Made Intelligible AS PLUG-INS of the Policy Framework informed by Scientific Gaps

The central policy gap is not the absence of EU urban policies, funding programmes or indicators; rather, it is the **fragmentation between them**. The EU has substantial policy instruments addressing cohesion, climate transition, mobility, housing, innovation, employment, health, territorial development and urban regeneration, but these are frequently organised through different institutional, financial and thematic structures. Consequently, cities and regions can face difficulty translating multiple EU priorities into a coherent investment strategy at the local level.

A second gap concerns the **disconnect between policy priorities and spending implementation**. EU Cohesion Policy establishes strategic objectives and substantial financial resources, but the translation of these priorities into implemented projects can be slowed by programming complexity, administrative capacity, procurement, coordination and project readiness. The policy problem is therefore not simply **how much funding is available**, but how effectively funding is converted into interventions and measurable territorial outcomes.

A third gap concerns the **disconnect between urban measurement and policy decisions**. International indicators and rankings increasingly measure competitiveness, innovation, liveability, sustainability and well-being, yet these measurements are not systematically connected to EU investment programming or municipal project selection. A city may know that it performs poorly on accessibility, housing affordability or well-being without having an integrated mechanism for translating that diagnosis into an investment programme.

A fourth gap concerns **multi-level governance**. EU, national, regional, metropolitan and municipal authorities frequently have different responsibilities, funding instruments and planning cycles. This can create institutional fragmentation in which the authority identifying an urban problem is not necessarily the authority controlling the resources or implementing the intervention. The framework therefore needs to connect **policy responsibility, financial responsibility and implementation responsibility**.

A fifth gap concerns the relationship between **policy outputs and urban outcomes**. Current monitoring can emphasise financial allocation, commitments, expenditure and physical outputs, while giving less attention to whether investments collectively improve accessibility, employment, housing conditions, social inclusion, environmental quality or residents' well-being. The proposed framework would therefore introduce a stronger connection **between investment delivery and territorial impact**.

A sixth gap is the limited integration of **work and employment** into broader urban policy. Employment is frequently treated as an

economic or social policy issue, while mobility, housing, spatial structure, skills, innovation and public services are considered separate urban policy areas. Yet these dimensions collectively determine people's ability to access and participate in work. The

framework therefore treats **work as a cross-cutting outcome**, rather than simply another isolated sector.

The gap can be expressed simply

| Existing policy architecture                | Gap                            | Proposed framework                     |
|---------------------------------------------|--------------------------------|----------------------------------------|
| Multiple EU priorities                      | Fragmentation                  | Integrated eight-pillar structure      |
| Multiple funding instruments                | Difficult investment alignment | Spending-to-intervention linkage       |
| Urban indicators and rankings               | Weak policy connection         | Indicators linked to priorities        |
| EU → national → regional → local governance | Coordination gaps              | Explicit multi-level governance        |
| Funding allocation and expenditure          | Weak delivery focus            | Implementation-readiness approach      |
| Project outputs                             | Limited integrated outcomes    | Territorial and social outcomes        |
| Employment treated separately               | Weak urban–work connection     | Work as a cross-cutting outcome        |
| Individual programmes                       | Limited cumulative assessment  | Integrated urban performance framework |

### 21.4. The Resulting Policy Gap

The strongest statement for your paper would be:  
 The principal policy gap is the absence of an integrated framework capable of connecting EU urban priorities, spending decisions, place-based interventions, multi-level governance and implementation performance within a common system of measurement and evaluation.

This gives your eight-pillar framework a clear purpose. It is not proposing another EU urban policy, nor simply another ranking. It is proposing an integrating architecture that connects policies and funding that already exist but are insufficiently connected.  
 The framework can consequently be positioned as:

**Existing EU policies and funds**



That is the **policy framework gap analysis**: identifying the missing connections in the existing policy system and demonstrating exactly where Our proposed framework adds value.

### 21.4. In Summary

The proposed EU urban policy framework integrates eight interconnected dimensions of urban and regional development: green transition, mobility, housing and inclusion, innovation, work and employment, place and public sphere, metropolitan governance,

and health, well-being and food security.Each dimension is linked to specific EU spending priorities and translated into a portfolio of place-based interventions.

The **work and employment dimension** addresses labour-market participation, job accessibility, skills, productivity, employment quality and the changing geography of work. The other dimensions address the wider spatial, social, environmental and institutional conditions that influence urban and regional development.

Together, the eight dimensions provide a common framework for aligning EU investment with local and metropolitan development priorities rather than treating individual policy sectors in isolation. The framework also incorporates multi-level urban governance to clarify responsibilities between EU, national, regional, metropolitan and municipal actors and to strengthen implementation capacity.By linking priorities to investment-ready interventions, governance responsibilities and measurable outcomes, the framework could improve the absorption and implementation of Cohesion Policy funding. An integrated index could then assess and rank cities and regions according to **policy alignment, investment delivery, governance capacity and development outcomes**, providing a practical basis for more effective and territorially targeted EU urban investment.

The framework also responds directly to the persistent problem of slow and uneven implementation of EU Cohesion Policy, where allocated resources do not always translate quickly into completed investments and measurable territorial outcomes. By linking EU spending priorities to a common set of urban policy dimensions, the framework would reduce fragmentation and make investment priorities clearer for cities and regions. The connection between each priority and a defined intervention portfolio would create a stronger pipeline of investment-ready projects, reducing delays between programming, project selection, procurement and implementation. Integrating urban governance into the framework would further identify administrative, institutional

and coordination weaknesses that contribute to low absorption and slow delivery. The proposed ranking could therefore measure not only urban development performance but also implementation capacity, funding absorption, project delivery and outcome achievement. Regions with weak implementation performance could be identified early and receive targeted technical assistance, capacity building and project-development support. In this way, the framework would shift Cohesion Policy from a predominantly allocation-based approach towards a delivery-oriented approach, increasing the probability that programmed resources become actual investments.

Its ultimate contribution would be to connect EU spending **priorities** → **urban interventions** → **governance capacity** → **implementation performance** → **territorial outcomes**, thereby improving both the effectiveness and implementation rate of Cohesion Policy.

Something like that, what do you think, could it work ?

## 22. Conclusions

The EU is trying to run city policy without actually having a city policy other than nudging and soft coordination like the Charter of Leipzig and the Charter of Amsterdam.

In this paper, we have addressed five key challenges in EU urban governance and made progress towards developing a more coherent and effective framework for European urban policy.

First, we have made progress in addressing an important gap in the public-policy literature concerning the variation in how the New Leipzig Charter is interpreted and implemented across EU Member States and different urban scales. In particular, we have highlighted the need to move beyond the formal adoption of the Charter and examine how its principles are translated into practice across metropolitan areas, large cities, medium-sized cities and towns. This provides a basis for understanding how differences in institutional capacity, governance arrangements, financial resources and national policy frameworks shape implementation.

Second, we have examined the effectiveness of the Urban Agenda for the EU and identified a significant gap between policy coordination and policy delivery. While the Urban Agenda Partnerships have contributed to knowledge exchange, policy learning and agenda-setting, their ability to translate recommendations into regulatory change, Cohesion Policy investment and measurable urban outcomes remains less clear. We therefore distinguish between policy outputs, policy influence, implementation and outcomes, providing a more rigorous basis for assessing the effectiveness of EU urban governance.

Third, we have identified the Joint Research Centre (JRC) as a potential institutional locus for developing common European evidence, indicators and strategic guidelines concerning the future development of European cities. In this conception, the JRC would play a role comparable to its broader analytical and evidence-based

functions within EU policymaking, providing a stronger scientific and territorial evidence base for urban policy while supporting comparability across Member States and urban areas. This would help bridge the persistent gap between research, evidence and policy implementation. The policy framework opted for must follow the path trodded out: (1) Green transition, (2) Mobility, (3) Housing and inclusion, (4) Innovation city, (5) place and public sphere, (6) metropolitan governance, (7) health and well being and (8) Food Security, Healthy Diet and Nourishment.

The European Urban Governance Index plays a crucial role in the EU's urban governance model by providing a comprehensive framework for assessing and comparing the governance capacities of metropolitan regions. It serves as a strategic tool that enables the evaluation of various dimensions of urban governance, including institutional coordination, policy effectiveness, social inclusion, and sustainability.

By integrating multiple indicators, the Index allows for a nuanced understanding of how different metropolitan areas perform in relation to EU urban policy objectives. It helps identify strengths and weaknesses within governance systems, guiding targeted interventions and resource allocation. High-performing regions can be recognized as models of best practices, while those facing challenges can receive the necessary support to enhance their governance capabilities.

Furthermore, the Index fosters collaboration among stakeholders by promoting participatory decision-making processes. It ensures that urban policies are responsive to the needs of communities, thereby enhancing the legitimacy and effectiveness of governance. Ultimately, the European Metropolitan Governance Index contributes to a more coherent and integrated approach to urban governance, aligning local actions with broader EU objectives and facilitating sustainable urban development across member states.

Fourth, we have developed a reasoned proposal for the institutional design and organigramme of a dedicated EU-level agency responsible for supporting the administration and coordination of EU urban policy. The proposed institutional architecture is intended to strengthen coherence across existing urban-policy instruments, improve coordination between EU, national, regional and local levels, and promote a more pluralist approach to policymaking. Particular emphasis is placed on participatory and multi-level governance, ensuring that cities, regions, civil society, experts and other relevant stakeholders have meaningful opportunities to contribute to policy formulation, implementation and evaluation.

Fifth, we have made progress towards defining a composite Urban Governance Index, drawing conceptually on the Mori Memorial Foundation's Global Power City Index and adapting its logic to the institutional and territorial realities of EU urban governance. Rather than focusing exclusively on economic competitiveness or city performance, the proposed index seeks to capture the multidimensional nature of urban governance, including institutional capacity, policy coordination, participation, financial

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capacity, sustainability, social inclusion, innovation and the ability to translate EU policy objectives into local outcomes. Such an index could provide a comparative instrument for assessing governance capacity across European cities and identifying differences in their ability to implement EU urban-policy priorities.

Taken together, these contributions move the discussion of EU urban governance from the formulation of policy principles towards the question of institutional capacity and implementation. The central argument is that the effectiveness of EU urban policy depends not only on the quality of its policy objectives but also on the institutional architecture through which those objectives are coordinated, financed, implemented and evaluated. Strengthening the connection between evidence, governance, participation, funding and implementation is therefore essential if the EU is to translate the ambitions of the New Leipzig Charter, the Urban Agenda and the European Green Deal into tangible improvements in European cities.

This creates the conditions for moving beyond fragmented, sector-specific support towards a **broader, more coherent and more effective way of serving Europe's cities and metropolitan areas**, aligning European expertise, resources and institutional capacities more closely with the complex realities and evolving needs of urban territories. Once we understand what the issues are, silos and politics are broken down and implementation rates have gone up, it become so much easier to intervene correctly in order to ensure a balanced and harmonious development of the European Union's territory from the vantage point of the metropolitan and urban areas, the erstwhile homestead of revolutions and political, economic and cultural progresses and to better address urban-rural tensions, a primary reason for civilisational decay.

### 22.1. Perspective

The difficulty of European urban policy is no longer that it lacks ideas; it is that it has acquired rather too many of them, and too little certainty about what becomes of them once they leave Brussels. The New Leipzig Charter, the Urban Agenda, Cohesion Policy and the Green Deal form an impressive architecture, but architecture, however elegant, does not by itself make a city warmer, fairer or more habitable.

What Europe now requires is a more severe commitment to evidence. We should ask less often whether a policy sounds admirable and more often whether it works, where it works, for whom, and at what price. Research, administrative data, local knowledge and citizens' experience should therefore meet in the same policy process, rather than residing in their customary and rather comfortable institutional compartments.

AI offers Europe an extraordinary opportunity, provided we do not mistake the possession of data for intelligence. The United States and China may have formidable advantages in scale, capital and technological concentration; Europe need not imitate them by collecting everything. Its ambition should be more exacting: to know which data matter, to use them intelligently, and to convert

them into better public decisions.

There is, of course, a small difficulty. Algorithms are wonderfully efficient at discovering patterns and remarkably indifferent to justice. They can reproduce yesterday's prejudices with tomorrow's computing power. AI must therefore remain accountable to human judgement, democratic scrutiny and public purpose; otherwise the celebrated smart city may merely become a city in which nobody quite knows who is responsible.

Nor should participation become another European ritual in which citizens are invited to speak after the important decisions have already been made. Participation matters when it changes priorities, improves knowledge and influences implementation. Democracy should not be asked to decorate technocracy.

The same sobriety is needed in the science-policy relationship. Europe already produces an abundance of knowledge; its problem is how little of it reliably survives the journey into policy. The ambition should be a continuous cycle in which evidence informs decisions, implementation produces new evidence, and governments have the humility to change course when the evidence proves them wrong.

Urban governance must likewise follow the realities of cities rather than the convenience of administrative maps. Housing, transport, labour markets, climate risks and ecological systems do not stop politely at municipal boundaries. Metropolitan, peri-urban and rural territories must therefore be governed according to their functional interdependence, not merely their institutional separation.

The European ambition should consequently be neither to centralise everything nor to digitise everything. It should be to create a form of governance that is intelligent without becoming technocratic, digital without becoming dehumanised, participatory without becoming theatrical, and ambitious without becoming incapable of execution.

Europe does not need to defeat the United States or China by becoming their less convincing imitation. Its more interesting advantage may lie elsewhere: in demonstrating that scientific knowledge, artificial intelligence, democratic judgement and territorial cooperation can be made to work together.

America has capital and platforms, China has scale and coordination; Europe, having rather less of both, might sensibly make a virtue of its institutions and learn to turn evidence, AI and democratic judgement into an advantage of its own.

The final measure of this sophistication is wonderfully simple: not how much Europe knows, how much data it possesses, or how many strategies it has written, but whether its cities become better places to live.

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The unification of Europe and the artistic and cultural revival of European civilization must go hand in hand with the strengthening of governance within the European Union. A politically stronger Europe needs not only effective institutions and democratic legitimacy, but also a renewed sense of its shared cultural heritage, artistic creativity, and civilizational identity. At the heart of this renewal must be a new commitment to urban governance, because Europe's cities are where its citizens live, work, create, and participate in public life. The quality of European democracy will therefore depend in great measure upon the quality of governance in its cities. European cities must be governed with competence, long-term vision, civic responsibility, and respect for the dignity of their inhabitants. Municipal authorities should possess the capacity and resources necessary to manage housing, transport, infrastructure, public spaces, environmental challenges, and cultural institutions effectively. At the same time, citizens should have a meaningful role in shaping the future of the communities in which they live. Good urban governance should unite efficiency with beauty, technological innovation with human needs, and economic development with social cohesion.

The European Union can strengthen this process by governance mass, creating common standards, sharing best practices, and supporting cities in their transformation. In this way, European integration would become something experienced not only through distant institutions in Brussels or Strasbourg, but through the everyday life of European citizens. For the strength of Europe will ultimately be demonstrated in the strength of its cities, and the strength of its cities will depend upon the wisdom, responsibility, and ambition with which they are governed.

A great civilization should not choose between the strength of the city and the strength of the land. It should unite them.

Let its cities be rich in commerce, skilled in craft, bold in thought, and open to the world. Let its harbors draw merchants from distant shores, its markets reward enterprise, and its people learn from every nation with which they trade. Let the city be the place where ideas meet, where wealth is created, and where new things are attempted.

But let these cities stand upon a secure and productive land.

The countryside must provide food, resources, energy, and men when they are needed. Roads, ports, rivers, and other means of communication should bind the cities and the countryside together, so that prosperity in one strengthens all the others. No single city should be so important that its ruin brings down the whole civilization.

Let the sea be its highway and its shield, but let the land give it depth.

A strong navy should protect commerce and keep the civilization connected to the wider world. A capable army should protect its territory and ensure that the state cannot be strangled by the loss

of a single route or harbor. Neither maritime power nor land power should exist for conquest alone; both should exist to preserve independence and prosperity.

Let its cities compete in excellence, but let them share a common law.

Too much centralization makes a civilization slow and rigid. Too much independence makes it divided and vulnerable. The cities should have freedom to experiment, govern themselves, and pursue new ideas, while the common state protects the larger interests of all.

Let it welcome foreigners without forgetting what binds its own people together.

A civilization becomes stronger when it can learn from outsiders. Trade, immigration, scholarship, and cultural exchange bring new skills and new ideas. But openness must be accompanied by strong civic institutions, shared laws, and a sense that different peoples belong to one political community.

Let wealth serve endurance, not merely luxury.

Commerce should create the resources to build roads, ports, schools, ships, defences, and institutions. Prosperity that produces only consumption makes a civilization soft; prosperity that produces knowledge, infrastructure, and capability makes it durable.

Let no generation believe that its success will last by itself.

The greatest danger to a prosperous civilization is often prosperity itself. When wealth produces complacency, when institutions become corrupt, when elites cease to serve the common interest, or when rulers mistake expansion for strength, decline begins from within.

Therefore, the civilization must continually reform itself.

It must educate its young, reward ability, maintain sound institutions, preserve fiscal strength, and allow new generations to challenge old assumptions. It must be willing to abandon what no longer works before circumstances force it to do so.

And above all, it must seek not merely greatness, but endurance.

The strongest civilization is not the one that conquers the most land, nor the one that becomes richest through trade. It is the one that can remain prosperous when trade is disrupted, secure when enemies arise, innovative when circumstances change, and united when fortune turns against it.

Let the city give it intelligence.

Let the sea give it connection.

Let the land give it strength.

Let its institutions give it continuity.

And let every generation leave to the next not merely a greater inheritance, but a civilization capable of renewing itself.

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