

Eser, Thimo W.; Böhme, Kai

**Book Part**

## Coordination mechanisms for territorial cohesion: Cases of Europe and Luxembourg

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*Thiemo W. Eser, Kai Böhme*

## **Coordination mechanisms for Territorial Cohesion – Cases of Europe and Luxembourg**

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## **Koordination raumwirksamer Politik**

Mehr Effizienz und Wirksamkeit von Politik  
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Thiemo W. Eser, Kai Böhme

# Coordination mechanisms for Territorial Cohesion – Cases of Europe and Luxembourg

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## Abstract

The inclusion of territorial cohesion in the Lisbon Treaty triggered a discussion on how to implement territorial cohesion at the EU level, but without clear results. One of the main short-comings in this discussion is the lack of awareness about the main reasoning and core objectives of territorial cohesion and the principal related instruments available to achieve such objective. Any territorial cohesion policy approach, which would not built on coordination mechanisms would “degrade” in an own sector policy. Coordination mechanisms represent the main tools for achieving territorial cohesion, as the territory is the place where any development takes place and the territorial impact of (sectoral) policies creates evidence. The case studies of Europe and Luxembourg represent extremes of a spectrum where on the one side a large territory is governed by a rather weak instrumen-

tal array of coordination mechanism whereas on the other side a relatively small territory is governed by coordination mechanism with relatively well controlled frame conditions. The result is that territorial cohesion can be defined as a framework that all actors have to comply with because territorial cohesion requires contextual specification. In practical terms, this means that a discussion of the policy objectives is important in order to progress on the coordination. When integrated action is necessary, discursive mechanisms leading to a common action framework appear to be the best choice in order to make coordination happen. However, sticks and carrots, i. e. a development framework, financial incentives and the necessity to end with a common result, are important framing tools to successfully achieve territorial cohesion. A convincing content alone is not enough to overcome vertical and horizontal political rigidities.

### **Keywords**

Territorial cohesion – coordination mechanisms – policy – polity – policy instruments – Territorial Agenda – vertical and horizontal coordination – spatial planning – Europe – Luxembourg

### **Koordinationsmechanismen zum territorialen Zusammenhalt – die Fallbeispiele Europa und Luxemburg**

#### **Kurzfassung**

Die Aufnahme des territorialen Zusammenhalts in den Vertrag von Lissabon hat eine Diskussion über dessen Umsetzung auf EU-Ebene ausgelöst; diese blieb aber ohne klare Ergebnisse. Der Diskussion mangelt es einerseits am Bewusstsein über die wesentlichen Argumente und Kernziele des territorialen Zusammenhalts und andererseits am Verständnis der Zusammenhänge zwischen den Instrumenten, um diese Ziele zu erreichen. Jede Politik des territorialen Zusammenhalts, die nicht auf Koordinierungsmechanismen basiert, würde zu einer eigenen Sektorpolitik „degradiert“ werden. Koordinationsmechanismen stellen die wichtigsten Instrumente zur Erreichung des territorialen Zusammenhalts dar, denn das Territorium ist der Ort, wo jede Entwicklung stattfindet und die territorialen Auswirkungen von (Fach-)Politiken zu finden sind. Die im Rahmen dieses Beitrags betrachteten Fallstudien Europa und Luxemburg zeigen Extreme eines Spektrums, in dem auf der einen Seite ein eher schwaches Koordinationsinstrumentarium für ein großes Gebiet bereitsteht, während auf der anderen Seite für ein relativ kleines Gebiet Koordinationsmechanismen mit relativ gut kontrollierten Rahmenbedingungen existieren. Das Ergebnis der Analyse zeigt, dass der territoriale Zusammenhalt als Rahmen definiert werden kann, den alle Akteure ausfüllen müssen, denn territorialer Zusammenhalt erfordert einen spezifischen Kontext. In der Praxis bedeutet dies, dass eine Diskussion über die politischen Ziele wichtig ist, um bei der Koordinierung Fortschritte zu erreichen. Wenn integrierte Maßnahmen erforderlich sind, erscheinen diskursive Mechanismen in einem gemeinsamen Handlungsrahmen als erste Wahl für eine verbesserte Koordination. Nötig sind jedoch „Zuckerbrot und Peitsche“, z. B. ein Entwicklungsrahmen, finanzielle Anreize und die Notwendigkeit einer Einigung, um erfolgreich territorialen Zusammenhalt zu erreichen. Überzeugende Inhalte allein reichen nicht, um vertikale und horizontale politische Widerstände zu überwinden.

#### **Schlüsselwörter**

Territorialer Zusammenhalt – Koordinationsmechanismen – Policy – Polity – politische Instrumente – Territoriale Agenda – vertikale und horizontale Koordination – Raumplanung – Europa – Luxemburg

## 1 Introduction<sup>1</sup>

The inclusion of territorial cohesion in the Lisbon Treaty triggered a discussion on how to implement territorial cohesion at the EU level, but without clear results. A number of ideas are on the table (see TA 2020 2011), in particular concerning improved governance. However, the solutions that have been suggested are rarely put into action. The inclusion of this third dimension, together with economic and social cohesion, in the reform of the Cohesion Policy 2014–20 is another milestone. The Polish EU Presidency (2011) strongly invested in the issue and territorial cohesion will be considered in the EU Structural Funds' legal framework (Böhme/Doucet/Komornicki et al. 2011; and see Karl/Demir in this volume). However, many authors and policy documents suggest that the main mechanism for achieving territorial cohesion is the territorial coordination of policies in the vertical and horizontal direction as well as the integration of various policies. This brings us to the main issues of this volume. Coordination, in a general understanding, can cover an array of instruments (see Benz 2002). However, not all instruments are suitable in the context of territorial cohesion nor available, and available instruments are not in all cases effective. Therefore, three main questions arise in the context of coordination as a way to achieve territorial cohesion: What is territorial cohesion about? What does coordination in this context mean? What are effective coordination mechanisms and under which conditions do these mechanisms successfully contribute to territorial cohesion?

Traditionally, the analysis of policy making in political science proposes three different rationalities for explaining the interaction of different policies: The thematic perspective of policy, the institutional perspective of polity and the purely strategic perspective of politics. In fact, one can tell three different stories from these three different perspectives (see Kohler-Koch 1996; Bauer 2001; Dyson/Goetz 2003; Rittberger/Zangl 2006; Eser/Schmeitz 2008). This paper takes the content of policy as a starting point, i. e. the necessity for coordination between different sectoral policies (horizontal perspective) and governmental levels (vertical perspective). The extent to which policy content is actually implemented depends on the institutional setting. Therefore, the description of the policy context is followed by an analysis of the institutional dynamics.

In order to better understand the importance of context for coordination, the first part of this paper addresses the question of what territorial cohesion is about. By doing so the focus is set on the issue of the coordination that is inherent to this policy in the sense of a policy objective and what this means for coordination mechanism in a general perspective. How far the understanding compares to definitions in different national contexts is, indeed, an interesting issue but could not be covered in the given framework.

In the second part of this paper, a number of case studies are presented to indicate promising if not yet successful instruments for the coordination of policy in terms of territorial cohesion. In order to cover a wider range of instruments, the paper addresses examples at the EU policy level in the context of the Territorial Agenda and at the EU institutional level where coordination is promoted as the main mechanism for achieving territorial cohesion. However, the application of these coordination mechanisms is predominantly voluntary. To contrast this, the case of Luxembourg, where compulsory coordination mechanisms are in place, is introduced. This kind of laboratory situation makes this particular country case interesting as national policy instruments are applied on a smaller scale and in a territorial context, which is relatively easy to overlook. Conclusions, with some lessons learned, round off the observations made in both parts of this paper.

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<sup>1</sup> The article reflects the opinion of the authors and does not represent any official view of the institution they are affiliated with Reporting State early 2014.

## 2 From territorial cohesion to coordination mechanisms

Starting point of our line of thoughts is that no coordination mechanism or policy instrument does represent an end in itself. Coordination mechanisms are a function for policy making in general, and several individual instruments are available to fulfil this function. In the context of rational policy making, any means and/or instrument can be used to implement a policy objective. An important part of the impact of any means and/or instrument is linked to the rationale of a policy objective. Consequently, the impact of coordination mechanisms and coordination instruments depends on how a particular objective – in our case territorial cohesion – relates to other policy objectives – in our context the objectives of other policy sectors.

### 2.1 Why territorial cohesion?

There are various policy documents discussing territorial cohesion as a policy objective; however, there is no definitive understanding of territorial cohesion in Europe. Recent policy documents illustrate that the idea of territorial cohesion is supposed to combine several territorial elements and meet the requirements of territorial disparities:

The emergence of the objective of territorial cohesion started in the 1990s with the development of the European Spatial Development Perspective (ESDP) (European Commission 1999), even though the term of ‘territorial cohesion’ was not used at that time. Several documents have been adopted since then, providing a basis for the subsequent development of territorial cohesion as a policy objective. Among the key policy documents are the Territorial Agenda of the European Union (TAEU 2007), the Territorial Agenda 2020 (TA 2020 2011), the Green Paper on Territorial Cohesion (European Commission 2008), the Barca Report (Barca 2009), a DG Regio Working Paper on Territories with Specific Geographical Features (Monfort 2009), the Fifth Report on Economic, Social and Territorial Cohesion (European Commission 2010a; see also Eser 2009), and the Eighth Progress Report on Economic, Social and Territorial Cohesion (European Commission 2013b). Furthermore, the ratification of the Lisbon Treaty established territorial cohesion as an official objective of the European Union on par with the objectives of social and economic cohesion.

DG Regio had already specified the term ‘territorial cohesion’ in an interim report and referred to the Treaty on the Foundation of the European Community: „Territorial cohesion, meaning the balanced distribution of human activities across the Union, is complementary to economic and social cohesion. Hence it translates the goal of sustainable and balanced development assigned to the Union (Article 2 of the Treaty) into territorial terms. Territorial cohesion includes fair access for citizens and economic operators to Services of General Economic Interest (SGEI), irrespective of the territory to which they belong (Article 16 of the Treaty)“ (European Commission 2004: 3).

The complexity of territorial cohesion became apparent in the discussions of policy documents such as those mentioned above and different authors suggested different categories to specify this goal (Dühr/Colomb/Nadin 2010; Faludi 2010; Evers/Tennekes/Borsboom et al. 2009). Examples include the categories of the objectives of territorial cohesion by Servillo (2010) or the territorial cohesion storylines by Böhme/Gløersen (2011).

Despite the uncertainties in defining this concept, many arguments are presented on why territorial cohesion is a relevant policy objective. The arguments depend on their theoretical and normative background. The ARL position paper on territorial cohesion (Böhme/Eser/Gaskell et al. 2008) offers a comprehensive understanding that systematises the rationale behind territorial cohesion. Therefore, it can function as a pragmatic over-

arching concept that combines different theoretical approaches (see Karl in this volume). A common thread appears to run through the literature, captured in the sketch below, but it does not entail a clear-cut definition of territorial cohesion and only allows pinpointing the main strands of arguments.

The first argument in favour of territorial cohesion is an economic one, namely to reduce the *costs of the non-coordination of sectoral policies*. The rationale behind this argument refers to the considerable losses in terms of the effectiveness of, for example, EU policies due to the often conflicting effects of different sectoral policies. This phenomenon is particularly prominent with regards to territorial development where all conflicts are touching ground. Decreasing public budgets become the driver for a better exploitation of synergies between different policies.

The second argument stresses that the Europe 2020 Strategy of smart, inclusive, and sustainable growth requires *European diversity*, following the principles of system and development theory (e.g. Vester 2002). The benefit of a territorial cohesion approach that takes the whole range of assets as well as resources available into account is that interventions can be better targeted. In policy terms only tailor-made policy mixes addressing the specificities of a territory are a sustainable way forward.

The third argument promotes a *balanced territorial development* in the Single European Market at EU level as well as in many national contexts and derives from normative discussions about fairness and equal opportunities. The development of the European Union, and in particular the Single European Market, has been decisive for European integration and has contributed to an overall economic growth of the Union. However, centripetal effects, growing regional disparities, and negative agglomeration effects are reported as a consequence of the Single Market. The costs for Territorial Cohesion can thus be understood as the price to be paid for the, in general, positive effects of the Single Europe Market. This is the cost that is occurred for dealing with the fragilities of territories.

Finally, the political augment of *solidarity* is deemed crucial for keeping the Union together. The European Social model (Faludi 2007) assumes a certain level of solidarity also with regards to the territorial dimension. Therefore the cohesion of the territory is of utmost priority. This may even be a more central issue for the EU than it is for nation-states. Since the EU is not a state but rather a union of Member States, its 'territory' must be defended in other ways than in the case of the nation-state.

So, what is territorial cohesion actually about? In a nutshell, and as a guiding idea, territorial cohesion dwells on two main ideas: to use development opportunities based on territorial specificities and diversity (territorial efficiency), also acknowledging market failures related to the use of territorial assets, and to achieve a certain spatially balanced and harmonious development of the European territory, mainly guided by the vision of a polycentric territorial development. Following the ARL position paper (Böhme/Eser/Gaskell et al. 2008), these ideas can be translated into six principles. Taking into account that the main mechanism for the implementation is not the creation of an individual territorial cohesion (sectoral) policy, but the territorial coordination of sectoral policies and the multi-level coordination of policies in the sense of territorial governance, a number of elements can be identified:

*Recognition of the territorial diversity:* European territories have different assets and potentials. At the same time, every territory also has different resources available to make use of its assets and balance deficiencies. The difference between the assets and deficiencies on the one hand and the resources available to territories to unlock potentials and respond to deficiencies on the other hand results in the fragility of a territory.

*Identification of potentials in relation to integrated development strategies:* The comparative advantages and distinct potentials of a territory often only become apparent in relation to an integrated vision or strategy as to where to be in the future. The governance of strategy building is a key for the activation of actors and their given resources to achieve common integrated development strategies.

*Territorial specificities and characteristics as a base for a functional division of labour:* Based on tailor-made cross-sectoral (integrated) development strategies, the distinct features of a territory can be identified and related to the characteristics of other territories. This may permit a functional division of labour between territories and facilitate territorial cooperation in which each territory contributes with its own strong characteristics. The prioritisation of functions means the adaptation of the regions' strategies with regards to their potential.

*Acknowledgement of the territorial context:* The territorial context of development dynamics, potentials and threats is decisive. This involves endogenous development potentials and fragilities, as well as exogenous factors such as the impact of developments in other territories and the impacts of different sectoral policies at various levels of decision making.

*Ensurance of fair access to infrastructure and services:* Focusing on development potentials, universal access to an identified level of services also needs also to be secured. In the times of globalisation and the knowledge society, access to appropriate education, information, and communication technologies (ICT) is becoming increasingly decisive for the development possibilities of regions and municipalities.

*Refinement of governance processes.* Local and regional stakeholders have a tacit knowledge of their territories which is needed for the development of integrated strategies and the identification of territorial potentials and fragilities. This approach does not necessarily require additional resources. Thus governance processes deal with acknowledging the importance of the territorial dimension and increasing the knowledge about territorial development dynamics and the processes needed for shaping a desirable future.

## 2.2 From the concept to the instruments with a focus on coordination

When translating this approach for territorial cohesion into policy measures for implementation and governance, the ARL-position paper (Böhme/Eser/Gaskell et al. 2008) makes reference to the EU Treaty offering competences in a series of domains having direct or indirect territorial impacts. The governance of strategy building is the key for the activation of actors and their given resources to achieve common integrated development strategies. The territorial diversity of the European Union can be summarised in a wide range of territorial or regional types. For each of these types, there are different impacts of sectoral policies and different potentials that can be identified in tailor-made strategies. Therefore, three dimensions constitute the basis for the accomplishment of territorial cohesion.

Territorial development objectives need to be translated into the specific territorial context in order to form *viable territorial strategies*. They can help to find tailor-made solutions as to how to best use potentials, meet specific challenges and deal with the implications of sectoral policies. Strategies combine assets and resources in an efficient and effective manner, taking into account the potentials and limitations. Thus, tailor-made, coordinated, and integrated strategies help to define adequate measures promoting the territorial development in an efficient and effective way for a particular territory.

The aims of *sectoral policies* are usually related to the effectiveness and efficiency of the sector in question. The territorial impacts of all sectoral policies today are only visible once a policy is implemented. More awareness (ex ante and ex post) of the territorial implica-



tions and potential synergies and costs of non-coordination can increase the effectiveness of policy making. Important EU policy sectors that can make a substantial contribution to strengthening a territory's development or to reducing its fragility as well as to achieving Territorial Cohesion are, among others, Agriculture, Transport, Energy, ICT, Education, Research and Innovation, and State Aid.

*Governance and stakeholders* from different sectors and levels of government need to increase their awareness of territorial impacts. As already mentioned the tacit knowledge of Local and regional actors of their territories is needed for the identification of territorial potentials and fragilities, also for identifying territorial impacts.. Furthermore, each actor on the ground has individual capacities and resources that can be used in different ways. Appropriately refined governance mechanisms help to use the capacities and resources of stakeholders in a coordinated way. The people and companies in a given territory can implement their development vision best.

Böhme/Eser/Gaskell et al. (2008) conclude that Territorial Cohesion can only be achieved by persuasive and powerful processes of coordination. Applying this approach to instruments for Territorial Cohesion, we can find the usual suspects:

*Information instruments* cover awareness raising, information about the territorial diversity of the European Union, different types of territories, their potentials, fragilities, needs, and assets. Furthermore, education and benchmarking are instruments for a better use of underexploited territorial potentials and overcoming challenges related to territorial fragilities.

*Coordination instruments* aiming at strategic programming require integrated development strategies and information identifying the territorial potentials of an area. Dialogue and consultation activities address various platforms to reach out to important stakeholders as relevant policy actors. Coordination between sectors in the narrow sense should be supported by agenda setting and better coordination between sectors and between different levels of decision making. The effect of direct cooperation is stronger. Territorial cooperation at various levels has been identified as a suitable mechanism to support a sound development of areas influencing each other. Incentives from one governmental level to another can be linked to the processes, thus serving as the necessary carrot to secure the active engagement of stakeholders. Potentials and fragilities serve as guidelines for the use of different funding sources.

Finally, Böhme/Eser/Gaskell et al. (2008) identified *key principles in support of the implementation of territorial cohesion* such as flexibility and openness of processes as regards the involvement of stakeholders and governance structures. Alternatively, any bottom-up – top-down processes should be guided by the principles of subsidiarity. Tacit knowledge and the potential of the human capital in an area are key aspects that can contribute to successful processes. It is useful as well to consider a lean bureaucracy in an environment of shared competences guided by the principle of proportionality. A review of competences and administrative efforts would be appropriate in the wake of introducing Territorial Cohesion into this framework.

Thoughts about communication and governance processes, promoting the development of strategic goals, and long-term modifications of the conceptual understanding of the term of 'territorial cohesion' are particularly relevant for integrating territorial cohesion into EU sector policies. In conclusion, horizontal coordination is a key dimension of territorial cohesion.

This reference framework in a nutshell provides us with the radar or binoculars to watch out for relevant coordination mechanisms in the context of territorial cohesion.

### 3 Coordination mechanisms at the EU level from an intergovernmental and an EU perspective

For a discussion of existing coordination mechanisms at the European level, the focus must first be on the approach currently used to implement the Territorial Agenda 2020 and its ambitions for a better coordination by consecutive EU presidencies in an intergovernmental approach in cooperation with the European Commission. The brief description shows that the 'Territorial Agenda approach', as a purely intergovernmentally driven process, does not enfold the expected momentum. Therefore, further emphasis is set on other relevant coordination mechanisms provided at the EU level. In this context, EU Cohesion Policy is excluded because it is being dealt with in a separate article (see Karl/Demir in this volume). Given the nature of EU policy processes and formulations, the following discussion remains rather abstract and does not have the same level of concreteness as the case of Luxembourg presented later on.

#### 3.1 The intergovernmental approach of the Territorial Agenda

When it comes to policy making linked to territorial cohesion at the European level, there are various approaches and mechanisms for both vertical and horizontal coordination. In what follows we will only address a few selected approaches to provide a flavour of the richness of approaches and their varying effects.

A prominent example for this richness with regards to territorial cohesion is the Territorial Agenda for the European Union and its more recent version, the Territorial Agenda 2020. The 'Territorial Agenda of the European Union', adopted in May 2007, was followed by an agreement on the Action Programme in the second half of 2007. In subsequent years, various EU Presidencies have made considerable efforts to develop the territorial policy agenda and implement the agreed Action Programme. Already in 2009, the Hungarians started working on the revision of the Territorial Agenda. The main focus was firstly on updating and revising the evidence document on the Territorial States and Perspectives, followed by an evaluation of the Territorial Agenda and its related work. Based on these efforts, a new policy document, the 'Territorial Agenda 2020', was elaborated. It promotes the following priorities (TA 2020 2011, 6f):

1. *Promoting polycentric and balanced territorial development* as an important precondition for territorial cohesion and a strong factor in territorial competitiveness;
2. *Encouraging integrated development in cities, rural and specific regions* to foster synergies and better exploit local territorial assets;
3. *Territorial integration in cross-border and transnational functional regions* as a key factor in global competition, facilitating the better utilisation of development potentials and the protection of the natural environment;
4. *Ensuring global competitiveness of the regions based on strong local economies* as a key factor in global competition, preventing the drain of human capital and reducing vulnerability to external development shocks;
5. *Improving territorial connectivity for individuals, communities and enterprises* as an important precondition for territorial cohesion (e.g. services of general interest), a strong factor in territorial competitiveness and an essential condition for sustainable development;
6. *Managing and connecting ecological, landscape and cultural values of regions*, including joint risk management as an essential condition for long term sustainable development.

Although the 'Territorial Agenda 2020' properly highlights the territorial challenges and the potentials for EU territories while bringing relevant territorial priorities to the EU political agenda, its implementation depends on the goodwill of different EU bodies and national actors. One of the major features of the Territorial Agenda is the cross-sectoral dialogue necessary to accommodate the territorial dimension of policy making. This applies to all levels of administration and policy making. Various initiatives have been undertaken in this respect at both the EU and national level.

Experience, however, illustrates the challenges faced in making progress at the political level. The French Presidency in the second half of 2008 was very ambitious. The main focus was on the dialogue with other sectoral policies at the EU level, with a particular emphasis on discussing the territorial dimension of EU Cohesion Policy. The highpoint of this was the ministerial meeting and conference with a high profile in Marseille. The intention was that the ministers responsible for territorial cohesion should issue recommendations to other policy sectors on the integration of territorial cohesion into their respective policies. Despite many efforts and a lot of political weight put into this by the French Presidency, the outcome did not live up to their expectations. This was mainly because the other national planning ministers were hesitant to make concrete proposals to other sectoral policies and, therefore, could not back France with the necessary levels of commitment.

The Belgian Presidency in the second half of 2010 made a particular effort to actively support the implementation of the Territorial Agenda by reaching out to sectoral policies, strengthen the link with urban matters and improve the use of existing communication tools. In addition to the usual meetings and the general support for a revision of the Territorial Agenda, they organised the first Territorial Agenda Annual Conference on 28<sup>th</sup>-29<sup>th</sup> September 2010 under the motto of "Territorial Cohesion in Practice: the Contribution of the EU Transport Policy".

The aim was to raise awareness of the territorial dimension of various EU policies among stakeholders, outsiders and sectors. Its purpose was to initiate a dialogue about the Territorial Agenda with key players responsible for the design and implementation of the EU Common Transport Policy. Various prominent politicians, high-ranking officials and experts took part in the event. In terms of policy content, the importance of the specific objectives of the EU Transport Policy, including the promotion of intermodality and interoperability as well as accessibility of the European continent, was stressed. Its contribution to the attainment of other policy objectives of major relevance for EU territorial cohesion, such as the improvement of accessibility and connectivity at the regional level, was emphasised as well. Participants discussed the extent to which these political breakthroughs could be reflected in the revised Territorial Agenda and capitalised upon for its future implementation.

Much attention was also paid to governance issues and decision-making mechanisms. It was stressed that field action and tangible results were urgently needed to make of EU territorial cohesion more than an abstract ideal. Preference should be given to "umbrella financial instruments" (structural funds, Euro-bonds, European Investment Bank investments) over sector-related instruments (such as a European Transport Fund for example). Transport infrastructure operations should be subject to Territorial Impact Assessment (TIA), but this should not involve bureaucratic procedures. A strong case was made for the involvement of local and regional authorities, whose ownership of decisions should be secured. The question of formal decision making at the EU level on territorial cohesion issues was also raised, including the practical implications of the subsidiarity principle. Promoting territorial integration through cross-border and transnational cooperation, including the elaboration and implementation of integrated cross-border or macro-regional

strategies, could also prove to be of much help. The conference raised interest, but real, tangible results could not be detected.

The subsequent Presidencies tried to reinforce the efforts and prepare a new policy document. In this context, the Spanish Presidency issued a report on urban and rural narratives and spatial development trends in Europe – in fact, further homework which, however, lacked further communication.

The Polish EU Presidency in 2011 undertook substantial efforts to move forward the coordination issue. A particular focus was put on territorial objectives and future EU Cohesion Policy, respectively on strengthening the territorial dimension of the Europe 2020 Strategy. Indeed, very ambitious with regards to the Territorial Agenda 2020, they commissioned a background report (Böhme/Doucet/Komornicki et al. 2011) and drafted an issue paper as well as a roadmap for the implementation of the Territorial Agenda that consists of concrete actions aimed at the EU and Member States with the objective of integrating the territorial approach into EU policies in the course of delivering the 'Europe 2020' strategy. The policy options of the Polish Issue Paper covered:

- Strategic programming based on territorial approach principles for a relevant priority-setting
  - Territorially-sensitive diagnosis for a more tailored policy response
  - Focusing on territorially legitimised priorities to get actors of growth involved
  - Coordination of policies for less costly EU policy making and implementation
  - Europe 2020 strategy equipped with a territorial pillar to better implement EU policies
  - More territorialised analysis for a better configuration of 'who does what and where'
- Institutions and knowledge to 'make things happen'
  - Shifts in decision-making processes to support the efficient interaction of policies
  - Environment conducive to knowledge sharing for the best use of territorial potentials

With the exception of the efforts undertaken by the French and the Polish EU Presidencies, it appears that actual dialogue with other EU sectoral policies never really took off. The intergovernmental cooperation related to the Territorial Agenda has a tendency to talk among friends about the need for more dialogue and coordination with other sectors. However, despite a series of policy statements and a considerable amount of territorial evidence to support such dialogues such as by the ESPON Programme<sup>2</sup>, they are rarely happening.

The findings and arguments of the review carried out by the Swedish Presidency in 2009 prevail. There is a need to renew political momentum, strengthen the leadership and coordination of the activities, and look more proactively for the dialogue with other sectoral policies. With regards to horizontal coordination, the Swedish Presidency Report concluded that (Böhme 2009):

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<sup>2</sup> ESPON is an Interregional Network Programme financed under the European Territorial Cooperation Objective of the European Structural Funds devoted to support territorial policy making by territorial evidences ([www.espon.eu](http://www.espon.eu)).

- “To further the implementation of the Territorial Agenda and strengthen the cross-sectoral approach it may be good to start with those aspects closest at hand. More emphasis on the coordination and timing of policy events and meetings during a Presidency, [...]. [...]
- Clear emphasis should be given to influencing future Cohesion Policy both at the European and national level. [...] concerted action in respect of the highest decision making level within DG Regio may prove to be a useful strategy here. [...]
- As for other EU policy sectors, the identification of key arguments and the timing of strategic dialogues remain fundamentally important. Primary priority should be given to the identification of events and policy developments at which the importance and ‘added value’ of the territorial dimension can be presented [...]. [...]
- [...] the need for a better level of exchange between the Member States on what they actually do at the national level to strengthen cross-sectoral dialogue [...].”

### 3.2 Territorial coordination function at the EU institutional level

The following elements are existing coordination mechanisms, which, however, do not cover the territorial dimension of coordinating sector policies. A promising approach would be to consider the territorial dimension from these perspectives.

#### 3.2.1 Horizontal policy coordination within the European Commission by inter-service consultations and impact assessments

An EU policy proposal is not a mere document. Indeed, it is a file that contains various pre-defined elements, i. e. the legislative act, a memorandum on the context of the decision, the results of the impact assessment, the ex ante evaluations, financial information, the results of the inter-service consultation, a draft press release and a ‘citizen summary’. The preparation of such a file involves both formal and informal internal coordination procedures, and sometimes even the consultation of external stakeholders.

With regards to the issue of coordination, we want to highlight two aspects included in a new policy proposal. From a process and governance perspective, the inter-service consultation is of high interest, and with regard to evidence-informed policy making the impact assessment is very important.

In general, before a Directorate General proposes new initiatives, it assesses the potential economic, social, and environmental consequences it may unfold. A Commission Impact Assessment consists of a set of logical steps, supporting the preparation of evidence on the advantages and disadvantages of possible policy options by assessing their potential impact. It follows an integrated approach assessing the potential impacts of new legislation or policy proposals in economic, social and environmental fields. This impact assessment system consists of a balanced assessment of all impacts and is underpinned by the principle of proportionate analysis, whereby the depth and scope of an impact assessment, and hence the resources allocated to it, are proportionate to the expected nature of the proposal and its likely impacts (European Commission 2012).

As underlined in previous publications (Böhme/Eser 2008), the key to the impact assessment is not only the structure but also the procedure, which not only involves the Commission services but also other stakeholders. The procedure as a constitutive element is first defined in a roadmap for the annual policy strategy of the Commission before the assessment is started.

The review of reports, presented as an annex to each of the Commission's acts, so far reveals the rather pragmatic approach to impact assessments. As a rule, reports stay within the range of 20-40 pages and for this reason the analysis cannot be too elaborated, in particular taking into account the scope of the issues to be covered. The Commission impact assessment is clearly an *ex ante* assessment tool that – according to the ambitions identified in practice – offers a systematic approach with the potential to function as an eye-opener. As will be mentioned later on, there is also a debate on a possible territorial impact assessment tool.

### 3.2.2 Vertical policy coordination via parametric governance

European policy making does not only involve the coordination between different policy sectors, but to a large extent also the coordination between different levels of policy making. This ranges from the local to the global level. The most important instruments for coordination within the European Union are (a) legal instruments (e. g. EU regulations<sup>3</sup> and directives<sup>4</sup>), (b) funding instruments (e. g. Common Strategic Framework Funds), and (c) agenda setting and recommendations.

In this context, we would like to briefly highlight the dimension of parametric governance as one form of informal vertical coordination and the EU Structural Funds as a formal dimension. Informal coordination via parametric governance is based on the idea that a clear differentiation between objectives, implementation and the choice of means can contribute to a more efficient and effective solution of complex tasks. This means that the objectives are agreed between different levels of a hierarchy or partners, whereas implementation details and the choice of measures belong to the autonomy of the implementing bodies. An assessment carried out a certain time after implementation only addresses whether the objectives have been achieved or not. Depending on the agreement between the partners, the achievement or non-achievement of objectives might imply certain consequences.

A widely known example of this kind of parametric governance is the Kyoto protocol, but other EU policies also make use of the method known as the 'Open Method of Coordination' (OMC), which represents a form of parametric governance. The most prominent example of EU policies with a vertical coordination following the idea of parametric governance is the Europe 2020 Strategy.

In the case of Europe 2020, the overall objectives of smart, sustainable and inclusive growth have been translated into a number of key indicators with fixed targets for every Member State. The single targets for every Member State have been negotiated between the specific Member State in question and the EU Commission. How the Member State achieves the targets remains up to the national policy bodies. The governance is mainly exercised via a rigorously applied European monitoring system, indicating to what degree the set targets are achieved. Although the target year is 2020, the Commission publishes a report every year on the progress made by individual Member States on each of the agreed indicators. This is followed by a series of recommendations for the Member States.

The study by Zillmer/Böhme/Lüer/Pflanz/Radvánski (2012) analysed the Europe 2020 strategy as an example of parametric governance and its implementation in Germany, and underlines the importance of the territorial dimension of the implementation of Europe

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<sup>3</sup> EU regulations are binding in their entirety and directly applicable in all Member States.

<sup>4</sup> EU directives bind the Member States as to the results to be achieved; they have to be transposed into the national legal framework and thus leave margin for manoeuvre as to the form and means of implementation.

2020, which can be supported by a stronger focus on parametric governance mechanisms (including sub-national levels). Furthermore, the study shows in the case of Europe 2020 how parametric governance can contribute to a territorially differentiated implementation of the overall European objectives, noting, however, that the risk exists that the policy objectives of territorial cohesion are counteracted. In conclusion, a good vertical coordination of policies is not necessarily suitable for achieving territorial cohesion.

### 3.2.3 Coordination function at EU Council level

Experience with the Territorial Agenda shows that the non-binding character of intergovernmental cooperation and of documents regarding the territorial dimension of EU policies leads to rather fragile implementation processes in the Member States and at the EU level. As a result of the rather weak coordination power of intergovernmental cooperation, there are also considerations to strengthen the coordination by shifting tasks to the level of the EU General Affairs Council.

A transformation of current informal structures into formal ministerial meetings and Council decisions on territorial cohesion has been suggested, for example by the EU Parliament in its opinion on the 'Green Paper on Territorial Cohesion' (European Commission 2008), the Committee of the Regions in its opinion on the Fifth Cohesion Report (European Commission 2010a), in the Barca Report (Barca 2009), and in the work of the Territorial Agenda 2020 Task Force on decision mechanisms in the field of territorial cohesion.

The macro-regional strategies for the Baltic Sea Region (European Commission 2009) and the Danube Region (European Commission 2010b) have already shown that territorial matters can be dealt with by the General Affairs Council. So, why should it not be possible for the General Affairs Council to address territorial issues on a regular basis and even adopt a strategic framework document on the territorial development of the EU (Böhme 2011)?

There is a need for a stronger dialogue on the territorial impacts of policies, territorial preconditions for policies, and territorially differentiated policy making. Such a dialogue is needed across policy sectors both at the European level and in the Member States. In this respect, the Council could initiate such a dialogue or decide upon and monitor corresponding coordination mechanisms. A General Affairs Council adopting and monitoring a long-term and strategic framework document on territorial development might strengthen the territorial dimension and raise the work on territorial cohesion to a new level. The coordination power of this mechanism is rather high, not to say the highest.

## 3.3 Conclusions on the coordination at the European policy level

Territorial cohesion as a European-level policy objective is dwelling on ideas for horizontal and vertical coordination. However, the review of relevant tools and approaches presents a rather disappointing picture.

When it comes to formal European Commission approaches, the inter-service consultation and the Commission Impact Assessment for new EU policy proposals are the main mechanisms available as formalised steps improving horizontal coordination. In practice, these instruments only serve as an eye-opener or early warning system for potential conflicts between policy areas. Furthermore, their territorial dimension is relatively weak in the overall framework.

In terms of vertical coordination, parametric governance and the Open Method of Coordination are frequently used for EU policies not directly linked to legislative instruments or funding opportunities. The example of the Europe 2020 Strategy shows that this instrument is also relatively weak. Furthermore, it illustrates that improved vertical coordination is not necessarily working in favour of territorial cohesion. Territorial cohesion is not only about coordination; it needs to come together with certain policy objectives.

Another potential coordination instrument discussed at the EU level are the EU Structural Funds, which present a different modus of vertical coordination that could be a rather powerful instrument in that direction (see Karl/Demir in this volume) as it combines territorial strategic programming with integrated investment measures, on a voluntary base however. Potentially, they could also contribute for horizontal coordination. How far the rigid sector design of future investment priorities challenges any ambitions to horizontal coordination or integrated regional development has yet to be proven by the practice of implementation.

Moving from the statutory framework of the EU to the informal intergovernmental cooperation, the case of the Territorial Agenda and its implementation illustrates high aspirations for better coordination, both horizontally and vertically. However, results are by far not living up to the expectations. And yet, the role of this cooperation should not be underestimated when it comes to the stepwise coordination of territorial policy objectives between Member States.

The review concludes with considerations about shifting policy coordination linked to territorial cohesion to the EU General Affairs Council. This highest instance of EU policy making has been deliberately set up to improve coordination both between different EU policies as well as between EU and national policies. Consequently, there is a belief that a word from this Council could give the fire back to the rather weak approaches discussed before.

At the same time, in 2013 the idea of territorial impact assessments has received renewed attention within some circles of the European Commission. This is expressed, for example, by the Commission Staff Working Document on operational guidance on how to assess regional and local impacts within the Commission Impact Assessment System (European Commission 2013a). The debate on this paper (for example within the Committee of the Regions) acknowledges that assessing the territorial impact of EU policies is at the heart of the idea of territorial cohesion and could facilitate a better coordination of policies.

In any case, there is a problem with the term 'coordination' and the various connotations attached to it. 'Coordination' often implies that there is somebody who coordinates and others who are coordinated, i. e. in a hierarchical way and structure. However, in the European context of territorial cohesion it is rather about dialogue. This implies that coordination is not to be understood in terms of higher and lower levels of hierarchy, but rather as a joint approach of partners meeting on equal footing. The long-term aim is to integrate the objectives of the TA 2020 in various sector policies. This needs targeted and selective information of sectoral policies through constructive cross-sector dialogues. In any case there seems to be a deficit in the integration of the territorial cohesion objective into the overall strategic approach, which, in addition, weakens the possibility to employ stronger coordination mechanisms. We come back to this issue in the final conclusions.



## 4 The territorial coordination mechanisms at the national level: the case of Luxembourg

Territorial cohesion as such is not literally mentioned as a policy objective, but it is the objective of the national planning law in Luxembourg. This is due to the fact that the term was not yet in broad use when the national planning guidance and the legal documents were set up. At that time, the ESDP prepared by the Member States in cooperation with the European Commission (European Commission 1999) was the main repository where other terms, such as ‘harmonious development of the territory’, offered reference points for what is factually understood by territorial cohesion. Therefore, this question is not further deepened in this section and reference is made to section 2 where an account is given on the meaning of ‘territorial cohesion’. The description of the planning system illustrates the territorial coordination mechanisms that have been set up considering the European Approach mentioned in the ESDP (Ministère de l’Intérieur 2003). In comparison to the European approaches, the coordination mechanisms are supported by compulsory instruments allowing for a stronger impact on the ground.

### 4.1 Sketching the national spatial planning and development system

Traditionally, Luxembourg spatial planning is seen in a wider understanding of the French ‘Aménagement du Territoire’ and, therefore, it appears more adequate to talk about development and planning rather than planning in the German sense (Chilla/Schulz 2011a) or the British sense of town and country planning. The spatial planning system in Luxembourg is based on three major laws, i. e. the Act of 30/07/2013 on spatial planning, the Act of 19/07/2004 on the municipal planning and urban development, and the Act of 19/01/2004 on the protection of the environment and the natural resources.

The administrative structure of Luxembourg comprises only two levels: the government at the national level and the municipalities at the local level. At the national level, the Government is the relevant authority for spatial planning (OECD 2007; Eser/Scholtes 2008; Chilla/Schulz 2011b). The Minister responsible for Spatial Planning is currently the Minister of Sustainable Development and Infrastructure. The Ministry of the Interior and for the Greater Region is the supervising authority for the municipalities. Spatial Development and Planning is understood as a process of coordination of all spatially relevant policies on the European, national and local level, but also between the levels. The Ministry of Sustainable Development and Infrastructure is composed of several departments in addition to planning, namely transport, environment, and public building. It is important to mention that the Department of Spatial Planning and Development is involved in the planning processes on the national and local level, but is not responsible for the implementation in terms of financing infrastructural investments.

The municipalities are composed of a Municipal Council and a Board of the Mayor and aldermen; they do enjoy a high degree of autonomy. On the basis of the subsidiarity principle, their objectives and competences are of general character and related to all possible land uses. The municipalities can cooperate and create regional syndicates in order to carry out more efficiently different obligations they are not able to adequately carry out on their own. Usually these syndicates have been constituted to pursue one specific goal, such as waste treatment, creation and management of school infrastructure and local planning.

The Government and the municipalities, each within their own area of competence, determine, through their policies and instruments related to spatial planning, the scope and framework for private sector activities. Both can purchase and expropriate land for public infrastructure purposes. At the national planning level, the role of the Government is predominant in economic development, rural planning, major public works, infrastructure projects, and environmental protection. The municipalities play an important role in the fields of local development, town planning and urban regeneration.

The Act of 21/05/1999 is the legal instrument that enables the Government to influence spatial development at the national, regional, and local level. In terms of policy, the law emphasises in particular the efficient use of soil, the protection of landscapes, a balanced development of urban and rural structures (Diederich 2011), as well as new tasks such as the contribution to the implementation of cross-border and interregional cooperation and the protection against natural risks. It introduces the concept of sustainable development as the basic orientation of spatial planning and it seeks to improve horizontal coordination at the national level and vertical coordination between the Government and the municipalities. Last but not least, it allows the Government to override the municipal autonomy in case of divergences between local and national interests by imposing Guiding Sector Plans or Land Use Plans.

In addition to planning activities in the narrow sense, the coordination function of the Minister responsible for spatial development and planning also covers the participation in defining large-scale public projects of national character in order to accomplish the planning objectives. Moreover, the law further develops the concept of regional planning as an important approach supporting the implementation of sustainable development. Two main policy-oriented reference documents are elaborated under the auspices of the Planning Minister:

The so-called '*Programme Directeur*' (national spatial planning programme) (Ministère de l'Intérieur 2003). This guiding programme, revised in 2003 and valid for at least the next 10 years, sets out the spatial objects for Luxembourg and provides examples on how these objectives could be implemented. It is a policy paper for sustainable development, a tool for spatial coherence and the application of the major principles of spatial planning, and lines out the thematic directions of territorial policy. The '*Programme Directeur*' describes the coordination of the aims of the Guiding Sector Plans and defines the principal spatial development guidelines according to the objective of sustainability. It is a non-binding document that guides the approaches and decisions of the Government and the local authorities.

The *Integrated Transport and Spatial Development Concept for Luxembourg (IVL)* (Ministère de l'Intérieur 2004), adopted by the Government in 2004, offers guidance with a planning horizon of 2020 on how to translate the spatial planning principles in the fields of transport, settlement, and landscape development. The IVL offers the specification of the '*Programme Directeur*' on the basis of trend analyses, scenarios and impact studies, and was elaborated in cooperation with six ministries (Interior, Transport, Public Building, Environment, Economic Affairs, Housing), enfolding a cross-sectoral coordination process. This also includes the definition of six pilot actions integrating transport, spatial development and urban development, which are implemented by individual conventions between the Ministry at the national level and the municipalities on the local level (see further below).

The IVL represents a very pragmatic approach to sectoral policy coordination as it is not mentioned as part of the statutory planning process. However, it can be understood as a kind of forerunner of the guiding sectoral plans leading to the proposal of concrete territorial projects that benefit from a territorially integrated approach to development.

## 4.2 The horizontal perspective of coordinating sectoral policies

The mechanisms for the coordination of the spatial dimension in sectoral policies are the so-called *Guiding Sector Plans*, specifying the guidelines of the 'Programme Directeur' and seeking to improve the horizontal coordination on the national level. These plans are elaborated in cooperation with the respective sector ministries, taking the spatial development principles and objectives into consideration and representing the key instrument for the spatial coordination at the national level. More technical Guiding Sector Plans are already finalised for schools and GSM aerials. Currently, the important plans landscape, transport, housing and the economic activity zoning are in the final phase of preparation. The Minister responsible for spatial planning or the Minister responsible for a specific sectoral policy can take the initiative to constitute an inter-ministerial working group for the elaboration of a sector plan. The municipalities concerned by a specific sector plan are consulted in the final stage of the planning and legislative process. The preparation of these sector plans takes place in a joint working process of the Ministry responsible for Planning and the respective sector ministry. The resulting sector plan is a joint proposal of the involved ministries and is submitted by the so-called Council of Ministers (comparable to a cabinet) to the legislative process of the parliament.

These sector plans can be regarded as key instruments for spatial development in Luxembourg. The Guiding Sector Plans are legally binding instruments, exerting a direct impact on the plans at the regional or local level. As all sector plans are elaborated in the spirit of the 'Programme Directeur', an important territorial coordinating function from a horizontal perspective with regards to sector policies is apparent.

The planning law also promotes so-called *Guiding Regional Plans*, offering the interface between the Guiding Sector Plans, covering the whole country with a sectoral perspective. A mixed working group, including representatives of the Government and the municipalities concerned, sets up a Guiding Regional Plan. However, these planning processes, apart from some preparatory studies, have not been systematically started yet as they are in discussion to be abolished. Currently, the regional plans of the Southwest and the Centre (around the capital) progress the fastest, proving the importance of coordinating the activities of municipalities at the regional level. The municipalities may form regional, multi-sectoral syndicates in order to implement the measures of the common action programme. The obligation to prepare regional plans in public discussion could become a threat for the usefulness of the plans, as sector plans are already quite detailed and there is no time to prepare and validate them<sup>5</sup>. In any case, the exercise of involving the municipalities enforced their cooperation and coordination, and has already produced benefits for spatial development in Luxembourg.

## 4.3 The vertical perspective of territorial planning and development

From this perspective, three cases need to be distinguished: direct effects of national planning instruments on municipal planning; conventions between the state and municipalities; and the relation between EU-level territorial development and national instruments.

Regarding direct efforts of national planning instruments and municipal planning<sup>6</sup>, the local authorities are obliged to prepare *Land Use Plans* at the local level (Plan d'Aménagement Général, PAG) and the legally binding *Development Plans* (Plan d'Aménagement Particu-

<sup>5</sup> It is subject to public debate whether these plans should be obligatory or not after the revision of the planning law, as the sector plans appear already detailed enough regarding the size of the country.

<sup>6</sup> With reference to the Act on the municipal planning and urban development (Act of 19/07/2004).

lier, PAP). The Planning Commission of the Minister of the Interior and for the Greater Region supervises both types of plans and is able to refuse them if they do not correspond to the goals of the law. In the case of the Land Use Plans, the Minister organises an independently acting committee for local authority planning consisting of representatives from different ministries and stakeholders who can communicate their opinions on the proposed plan. In the case of the Development Plans, an opinion is provided by the legal service of the Ministry. In the end, all plans must be countersigned by the Minister.

However, the spatial planning law allocates the responsibility to conduct legally binding Land Use Plans on a detailed level for those areas where particular conflicts of interest between different kinds of land uses are apparent. It enables the Government to regulate and modify the legally binding land use on a small scale, defined for example by the municipalities in a specific spatial context (for example flood areas). If the Minister responsible for planning initiates such a planning process, all activities must be stalled until the planning process is finalised. In contrast to the Guiding Sector Plan or the Guiding Regional Plan, the Land Use Plan has a direct impact on the use of different parcels of land and is legally binding on third parties. Therefore the use of this strong instrument needs to be carefully considered and is currently only applied in the case of the development of the area around the international airport Luxembourg-Findel.

In order to promote medium-level planning, the Government supports the municipalities in the rural areas to establish municipal development plans. A similar instrument does not exist yet for the urban areas, but considering the autonomy of the municipalities, they are able to work out an urban development plan that will provide an orientation for the setting up of the legally binding municipal land use plan.

In contrast to the statutory national planning instruments, the so-called Convention areas represent a case-oriented approach to vertical coordination. The objective of the Convention areas is to specify and implement the national strategy expressed in the 'Programme Directeur' and the IVL in cooperation between the national level represented by the Planning ministry and the municipalities concerned (OECD 2007). The IVL has defined six priority projects<sup>7</sup> that lead to five concrete convention areas (Bentz 2011):

- The Nordstad – creation of a development pole in the North of the country;
- Convention Uelzëchdall – development of the corridor between the agglomeration of Luxembourg City and the new development pole in the North;
- AirRegion – development of the municipalities directly neighbouring the airport;
- DICI – development of the southwest of Luxembourg City and neighbouring municipalities (commercial zones, housing development, transport issues, public transport, parking, and slow traffic);
- European Grouping for Territorial Cooperation, Belval Ouest – cross-border development of the reconversion site in the south towards France.

The cooperation process addresses the common strategy building and planning and stretches over many years; none has been closed yet, but have already been in motion

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<sup>7</sup> The following projects: (a) the development in the area to the southwest of Luxembourg City on the basis of an interactive planning process; (b) a new residential area in the South built close to the public transport network; (c) the regional park for the creation of the 'zone verte interurbaine' (interurban green corridor); (d) the 'Nordstad' development plan; (e) the implementation of region-specific measures in rural regions, such as using farm buildings for new purposes; (f) differentiated projects for inner development of rural and urban areas (Ministère de l'Interieur 2004).

for eight years, which indicates that common development and planning activities, with regards to their long-term perspective, cannot be achieved in a short process. Difficult points are certainly elections, which may change the priorities of municipalities, and certainly the number of partners involved. Beyond all imperatives, the success depends on the willingness of the municipalities to collaborate, as this can hardly be imposed from the top. The function of the Ministry is to follow up on the national priorities. External moderation seems to be important in order to come to a common ownership of the progress and results of the process.

Finally, the vertical perspective also relates to the effects of the EU level on national planning and development instruments. The impact of the TA 2020 and the forerunner ESDP on spatial development and planning in Luxembourg should also be considered. The impact of the ESDP is most visible in the formulation and structure of the 'Programme Directeur', where a direct line can be drawn to the ESDP regarding thematic sector-oriented priorities and governance aspects. The ESDP as well had a considerable impact on national planning law, in particular where a strong emphasis is put on the horizontal coordination of sectoral policies that are implemented via the sector guiding plans and the vertical coordination as explained in the context of the IVL (Eser 2011; Eser/Scholtes 2008).

The impact of the TA of the EU and its revision, the TA 2020, are of a more indirect nature than new national planning documents or laws. The Planning Ministry was using the approach of the TA when commenting on national strategic documents as, for example, the National Strategic Reference Framework for the Structural Funds period 2007–2013 or the national reform programmes in the framework of the Lisbon/EU 2020 Strategy. The use of this kind of voluntary European guidance in the national context can be also observed regarding urban policy.

#### 4.4 Conclusions on the coordination at the national level

The overview of the national level suggests that the coordination mechanisms are most effective where the parties concerned, being it two sectoral policies at the national level or a convention between the national level and the municipalities concerned, are directly participating in a specific coordination mechanism, and where this mechanism includes a *contractual* or *compulsory element*. The question is why does this approach work out? At this point, we have to make reference to the subject of territorial cohesion as a policy objective. Looking at the policy content such as the objectives or priorities of the 'Programme Directeur', it is obvious that these are to be interpreted in a certain context. This means that territorial objectives need to be reflected in the context of sectoral policies. With regards to municipal development, territorial objectives need to be reflected in the particular local context of the municipalities concerned, in particular when issues are dealt with where the national sectoral policies have to be activated in coordination with efforts at the local level. This, for example, is happening in the Convention areas, where a contract is concluded by which all actors involved commit themselves to finding a common solution. The latter coordination mode is particularly important in those cases where it is not enough to simply define a framework for the municipal planning activities. This is particularly relevant for the relationship between the 'Programme Directeur' and the land use and development plans where the commission of the Ministry of the Interior simply checks whether these plans are in conformity with the national planning guidance.

Furthermore, regarding the national sectoral policy coordination by Guiding Sector Plans, it has to be concluded that, firstly, this is a compulsory coordination instrument where the sectoral policy has to enter the dialogue by law, and, secondly, that the plan-

ning preparation process does not start with a simple coordination mechanism but also includes a discussion of the policy objective. Here as well, an important key to the coordination is the discussion of the policy objective in the sectoral context.

## 5 There is a way forward – some lessons to learn

Territorial cohesion depends on a strong sense of coordination and policy integration. However, the main stakeholders of this policy field do not have the instruments and power to bring about the necessary coordination. Therefore, territorial cohesion has to focus on coordination processes from other (sectoral) policies, while being aware that these policies follow their own logic for obvious reasons and may, therefore, have either limited interest in the territorial dimension or are not aware of the added value. We would like to highlight some of these features.

Territorial cohesion is a policy objective that, due to the subject matter, can only to a limited extent be directly implemented by simple regulatory instruments. The core concern is to coordinate sectoral policies because otherwise territorial cohesion would mutate into a sectoral policy itself, in the good and in the bad sense. In the good sense, it would have a more direct impact in a limited field; in the bad sense, it would not have an impact on other policies, thus failing to fulfil its core task of contributing to the coordination of sectoral policies. So, in fact there is a kind of circular reasoning.

Therefore, territorial cohesion can also be defined as a framework that other actors have to comply with because territorial cohesion requires contextual specification in a horizontal and in a vertical direction. In practical terms, this means that a discussion of the policy objectives is important in order to progress on the coordination.

This is also the reason why territorial cohesion does not have its own instruments (and if so, as mentioned, it would become a sectoral policy in the same way as other sectoral policies).

When integrated action is necessary, discursive mechanisms leading to a common action framework appear to be the best choice in order to make coordination happen. However, sticks and carrots, i. e. a development framework and financial incentives, are important framing tools to successfully achieve territorial cohesion. A convincing content alone is often not enough to overcome vertical and horizontal rigidities.

Beyond all, territorial information is a key requirement to support such a discursive approach. An 'evidenced rationale' offers a fertile ground for any compromise between sectoral and territorial objectives, which points at the heart of any coordination mechanisms.

Following Zillmer/Böhme/Lüer/Sauerborn/Harder/Maurer (2012), such constructive dialogues on policy objectives could roughly be sub-divided in four steps:

*Illustration of territorial potentials, obstacles and impacts:* Starting with the illustration how the acknowledgement of territorial objectives and effects can help a sectoral policy to achieve its own aims more efficiently.

*Win-win-dialogue:* Based on the first step the dialogue with relevant sectoral policies should be sought. The focus should be on the question of how a territorial view can facilitate a more efficient achievement of overall policy objectives, such as, for example, outlined by the Europe 2020 targets.

*Territorial issues in the policy cycle:* In a next step, territorial issues can be integrated in the policy cycle, in cooperation with the sectoral policy in question. The centre of attention should be on the formulation of objectives, territorially differentiated and quantified tar-

gets (e. g. for cities and regions) and implementation mechanisms. Furthermore, specific elements of the sectoral policy might be included in the ongoing-territorial monitoring and territorial aspects could be integrated in the evaluation of the sectoral policy.

*Key policy documents as invitation to an interdisciplinary dialogue:* As for example in the case of Germany, the recent national spatial planning report could be the basis for discussion with intensive participation from relevant sectoral policies. The focus should be on finding win-win situations between sectoral and territorial policies, and identifying territorial potentials for and obstacles to achieving the Europe 2020 targets. This would contribute to enhancing territorial dialogues with other sectoral policies as well as the implementation of the Territorial Agenda 2020.

As mentioned before, dialogue is only one part of the story – we have to come back to the questions of sticks and carrots, which are not directly imposing anything but are pushing towards a better and closer coordination. In the first place, the following has to be considered:

- The territorial dimension in any kind of impact assessment;
- The statutory obligation to enter into an inter-sectoral dialogue in the form of inter-service consultation or drawing up common planning documents;
- The Open Method of Coordination as another reference point for a stronger dialogue;
- A territorial reference framework with a sort of veto option from the territorial side in order to enforce territorial cohesion;
- Finally, financial incentives supporting a coordination effort. This is the case for EU Cohesion Policy and Structural Funds, by setting up the strategic framework and offering instruments such as integrated territorial investments.

The reason why the impacts of the mechanisms at the EU level are too weak is that a true dialogue on the objectives of territorial cohesion is still missing, and the elements of compulsory exchange or involvement and of being ‘condemned’ for to success are still lacking. Contractual commitments in the way the example of Luxembourg has proven to be successful by creating Convention areas or imposing common territorial and sectoral planning processes are not in sight at the EU level. A lot can be done at the EU level to improve the situation in that direction, but a final question remains:

Why is territorial cohesion always under suspicion to somehow boss around in the political sphere and in the private sector? The benefit of pursuing this policy objective is, indeed, more often of a public nature. Therefore, territorial cohesion is not automatically *perceived* as an enabling policy but rather a restricting policy. This observation, however, does not necessarily stand in empirical terms. But what is bad about producing a public benefit? It is important to get rid of this negative connotation and to communicate the potential and added value for welfare and other economic subjects. Somehow other policy objectives, such as the environmental objectives, are doing better in this regard, although in practice their restricting impact can be much stronger. This is apparently one of the most pressing issues in the policy field of territorial development: to think about the positive policy messages and to communicate them in a visible and understandable way to the outside world of planners and developers. A well-balanced mix of bringing the policy objectives in place together with a set of contractual and compulsory policy coordination mechanisms seems to represent the most promising approach for a successful territorial coordination mechanism.

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## Autoren

Dr. **Thiemo W. Eser** ist Dipl.-Volkswirt und promovierte nach Forschungsaufhalten an den Universitäten Birmingham und Glasgow an der Universität Trier mit einer ökonomischen Analyse des Zusammenspiels der europäischen bis zur kommunalen Ebene in der Regionalpolitik in Großbritannien und Deutschland. Nach mehrjähriger führender Tätigkeit in der Forschung an der Universität Trier und Beratung zur Umwelt- und Regionalpolitik, Raumordnung und Evaluation am TAURUS Institut an der Universität Trier ist er seit 2004 im Ministère du Développement durable et des Infrastructures, Département de l'Aménagement du territoire zuständig für europäische Angelegenheiten und vertritt Luxemburg bei der Verwaltungsbehörde des Raumbenennungsnetzwerks ESPON und in Bereichen wie europäische Strukturfonds und territorialer Zusammenhalt. Er lehrt im Masterstudienprogramm und in der universitären beruflichen Weiterbildung der Universität Luxemburg und ist Mitglied der ARL.

Dr. **Kai Böhme** ist Gründer und Geschäftsführer der Spatial Foresight GmbH in Luxemburg. Er hat mehr als 15 Jahre Erfahrung in dem Bereich der europäischen Raumentwicklungspolitik. Neben unterschiedlichen europäischen Organen hat er u. a. die EU-Ratspräsidentschaften von Schweden, Polen und Zypern beraten, sowie Ministerien, regionale und nationale Behörden in unterschiedlichen europäischen Ländern, z. B. in Deutschland, Norwegen, Slowenien, Österreich und Portugal. Nach dem Studium der Raumplanung an der Universität Dortmund hat er in Nijmegen, Niederlande, bei Prof. Dr. Faludi über das Zusammenspiel von nationaler und europäischer Raumentwicklungspolitik promoviert. Er hat für das Sekretariat für Zukunftsforschung und die Z-Punkt GmbH in Deutschland gearbeitet, bevor er nach Schweden ging. Dort hat er bei Nordregio, the Nordic Centre for Spatial Development, verschiedene europäische und nordische Studien bearbeitet. Danach hat er einige Zeit bei der ESPON Coordination Unit in Luxemburg gearbeitet und schließlich die Spatial Foresight GmbH gegründet. Zusätzlich zu seinen Beratungs- und Forschungstätigkeiten ist er assoziierter Assistenzprofessor an der Universität Luxemburg und Gastforscher an der Universität Sheffield (UK) und dem Blekinge Institute of Technology (Schweden). Er ist auch Mitglied der ARL.