

# Urban Agenda: Innovative territories

**Proposal to the United Cities and Local Governments  
(UCLG) Forum of Regions, under the presidency of  
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## The role of regions in the implementation of global agendas

Regions are distinguished by the fact that they represent a decentralised intermediate level of government that often oversees a polycentric territory, the specific nature of which means there are reasons and benefits for it being governed as a separate entity. Some of these reasons are related to infrastructure, services, economic interrelationships within the territory, natural resources and, of course, cultural identity.

These contexts are dominated by a high **degree of diversity** that allows for complementarity, specialisation and cooperation within this distinct territory, requiring an **integrated approach** to policy-making. This means that regions need to **harmonise plans and strategies** within a coherent sectoral framework.

Regions have the capacity, to varying degrees, to legislate and plan in line with their strategic objectives, as well as to implement public investment and coherently govern the service and economic sectors. In turn, regional governments can contribute using a **different approach to development**, based on **territorial factors** and **cooperation**.

It is therefore a different approach to that of cities, which are often more oriented towards basing their development on

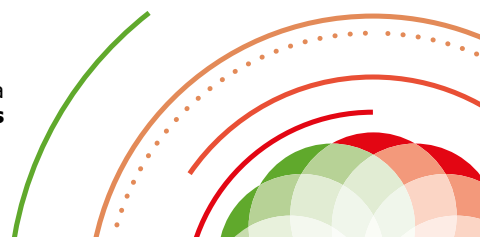
concentration and pursuing the benefits of agglomeration.

Ultimately, regions are distinguished by the following abilities:

- **Integration:** ability to integrate sectoral perspectives under a single territorial dimension.
- **Intermediation:** ability to work at different levels of government and harmonise strategies, on account of their intermediate position between cities and states.
- **Transformation:** transformational capacity, through long-term plans, legislative powers and own funding.
- **Subsidiarity:** capacity for dialogue with relevant actors, stakeholders and citizens, given their proximity as a level of government.

In conclusion, regions have the capacity to work on different scales: on the one hand, they can establish strategic visions and long-term planning horizons, and on the other hand, they are able to govern day-to-day life and implement their own budgets, in line with both the principles of decentralisation and subsidiarity.

Based on this conviction, the emergence of the Global Agendas presents itself as an opportunity to rethink the architecture of governance and, by extension, to improve the role of the regions in constructing a better world. The unique profile of regions, which entails the **ability to integrate the Global Agendas** for sustainability into





their planning, legislation, management and budgeting, makes them strategic drivers in the **localisation** of the Sustainable Development Goals.

However, there is still a long way to go in terms of full recognition of the crucial role that regions play, especially in terms of real governance and funding. Despite the need for an integrated and multi-level approach in the planning and implementation of Global Agendas, demanded for a long time by various international organisations (from the United Nations to the OECD), **the role of regions is not duly recognised** and is often limited to areas of mere consultation or influence, but never to formalised spaces for decision-making.

It is therefore necessary to establish an effective system of **multilevel governance** based on the principle of subsidiarity, the presence of enabling environments and adequate political, administrative and fiscal decentralisation, which **empowers the regions**.

## The territorial dimension of urban development

**Regions are active drivers of progress, innovation and development** and must claim this role in the international context. It is necessary to overcome the paradigm, recently identified in some political and governance spheres, that regions are

mere administrative divisions lacking in transformational capacity or just another cog in the administrative machinery of states.

Firstly, it is essential to recognise that the relationship between cities and their territories is strategic in meeting the challenges posed by sustainability. In other words, combating and adapting to the impacts of climate change will only succeed with the active contribution of the regions<sup>1</sup>. In this sense, it is important to bear in mind how aspects that significantly condition life in urban areas can be traced to the surrounding territories:

- daily **commuter travel** is concentrated in the cities, but is generated in the outskirts;
- the **metabolic processes** of urban systems, such as waste management, the water cycle or energy consumption, are not possible without the contribution of territories;
- the provision of **ecosystem services**, not only supply (resources, nutrients, etc.), but also support and regulation, as territories contribute to carbon capture and storage, improvement of air quality, climate regulation, among others;

In addition, many relevant policies in city management depend, to a large extent, on levels of government outside the municipality. Issues as relevant to

<sup>1</sup> According to the OECD, 65% of the 2030 Agenda targets require the involvement of sub-national levels of government for them to be achieved.





sustainable urban development as public health, industrial planning, the tourism model, access to housing, public safety or infrastructure provisions are usually the responsibility of regional or, alternatively, national governments, who establish the necessary legislative frameworks and planning instruments.

In short, to tackle the Urban Agendas<sup>2</sup>, **cities must consider their territorial dimension**, without which it is impossible to take on the global challenges of sustainability, both within the cities themselves and beyond. This observation should lead us to **break the recurring dichotomy between city and territory** as two contradictory spheres, with opposing interests and objectives.

It is precisely by breaking with this dichotomy that we need to reconsider the clichés about the exclusively rural dimension that we usually associate regions with. This is an often urban-centric vision that tends to reduce the role of territories to mere providers of natural resources, nutrients, water or energy, while at the same time treating them as mere recipients of the numerous outputs of urban systems.

Far from such perceptions, the narrative of the immense potential of the regions for sustainable economic development needs to be reinforced, taking advantage of their status as the **level of government closest to the territory**.

## Innovative territories: a new paradigm for regions

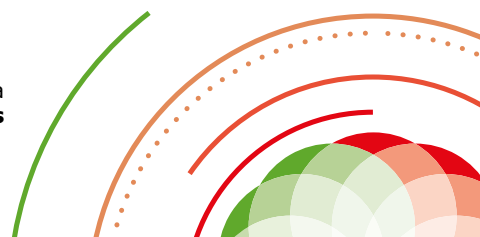
The concept of innovative territories aims to overcome the perception of regions as exclusively rural areas and service providers at the service of urban areas. Thus, the name is intended to underline the **driving force of the regions**, as the level of government closest to the needs and potential of the territory. Diverse territories, made up of urban and rural realities that coexist in the same space.

We must understand innovative territories as those that make the most of their potential, that are open, resilient, territorially, socially and economically cohesive, that place people and the environment at the centre of their policies. These advanced territories are characterised by ensuring the ecological transition, always maintaining a resilient vision in their territorial planning, breaking the technological divide through digitalisation, with sustainable infrastructures that enable decarbonised and intelligent mobility and ensuring territorial cohesion and balance, with the help of decentralisation.

In short, to enhance their contribution to sustainable development, regions must foster innovative territories that are **economically competitive, physically and digitally connected and socially cohesive**.

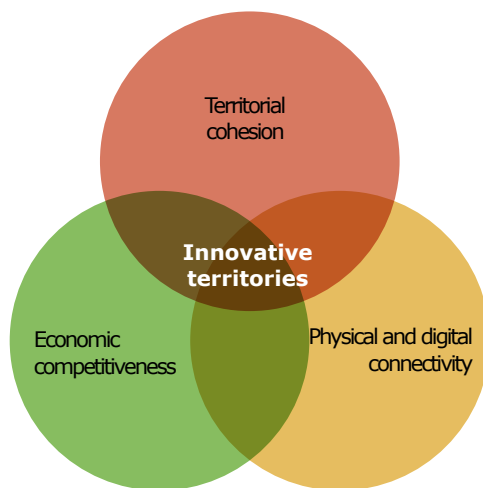
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<sup>2</sup> Catalonia is drawing up an Urban Agenda with a territorially inclusive perspective.





## UCLG WORLD FORUM OF REGIONS



## Competitive territories

### Green and digital economic development

**Sustainable development** is undoubtedly the engine of growth that the countries, regions and cities of the world will need to adopt in order to meet the major global challenges. They urge action against environmental degradation as a result of global warming due to **climate change**.

In this context, the future projection of the current production and economic model seriously compromises the sustainability of the planet, as it is based on the overexploitation of natural resources and the generation of multiple negative factors including but not limited to pollution or the loss of biodiversity.

Regions manage territories, made up not only of populated areas but also of natural and agricultural spaces. They therefore play a strategic role in the preservation and management of natural habitats, which are so essential to the adaptation to and mitigation of the effects of climate change.

**Regional strategies** will therefore be needed to ensure sustainability. The rapid and uncontrolled growth of cities (largely informal), pollution, pressure on natural ecosystems or loss of biodiversity are threats that require better management of natural resources, including land, and better integration of urban growth with the surrounding environment, in order to build more efficient, accessible, healthy, attractive and compact cities for all citizens.

As available land becomes scarce in cities, the phenomenon of the urban sprawl becomes important and poses costly and burdensome problems. In this context, **measures to contain the explosion of cities<sup>3</sup>** to the detriment of natural, agricultural or forest land, such as the regeneration and reuse of existing buildings and land, emerge as a valid alternative.

Furthermore, we must not forget the effect of COVID-19, which has had a direct negative impact on our society and economy. However, this dramatic situation has accelerated the **processes of digitalising** the economy which, through distance working, have resulted in reduced mobility and improved air quality in urban areas due to lower CO<sub>2</sub> emissions.

<sup>3</sup> Catalonia is promoting territorial planning that adapts urban growth to territorial, environmental and landscape sustainability criteria.



Taking advantage of this acceleration in digitisation is essential. Regions cannot, and should not, shield themselves from the global digitisation process. In a world of increasingly digital and digitised economies, regions may risk becoming marginal players in the shadow of more technologically advanced states and cities. Digitalisation can be a driver of democracy and equality, enabling territories to compete on equal terms with other global players, **retaining talent, generating wealth** and **curbing depopulation**.

It is therefore necessary to **mobilise research and foster innovation** to transform the economy towards a sustainable future, in which no one is left behind, through a **fair transition**, and in which the role of **financing** will also be relevant.

## Planning resilient and diverse territories

To be competitive, regions cannot be fragile in the face of threats or impacts. Our societies are exposed to a number of **agents of change**: the outbreak of frontier technologies, climate change, globalisation or cultural diversity are just a few examples. In an increasingly complex world, a comprehensive view is needed to manage all these impacts. Frontier technologies (e.g. renewable energy, electric mobility, artificial intelligence, the Internet of Things, 5G/6G, etc.) open up great opportunities, but can also generate threats.

Technologies that have a great potential to transform society and the spaces we inhabit, and which, for this very reason, we must know how to process to benefit **social cohesion**, to strengthen the labour market and access opportunities to move towards more resilient territories.

Consequently, to be competitive, **regions must plan for present and future disruptions**. This means that spatial planning must go beyond looking at the physical substrate, the playing board, and look at the vectors actually playing on the board, which are increasingly numerous and complex.

In addition, the management of complexity, as well as territorial diversity in the regions, requires the establishment of territorial planning strategies<sup>4</sup>: this includes the delimitation and planning of urban systems, the location of areas of economic activity in strategic points of the territory, the design of networks of interconnected natural spaces, or the establishment of plans for the preservation and conservation of the landscape.

There is a need to combine and address the **diversity of scales**: actions and guidelines to help plan and manage large urban areas, and actions and guidelines to address the needs of smaller and less dense rural areas.

Furthermore, the implementation of the Global Agendas represents a great opportunity for regions to **redefine**

<sup>4</sup> Regulatory bodies must be developed in the field of spatial and urban planning that give space to this vision of diversity and complexity, in the case of Catalonia, the Law on Territorial Planning and Urban Planning.







**their sustainable development strategies.** In this sense, the preparation of Urban Agendas should lead regions to establish common challenges for their urban areas, exploring their **synergies, complementary features and specialisations** with a view to contributing to the balanced and sustainable development of the territory as a whole.

In turn, the territorial dimension of the Urban Agendas should ensure that local governments that do not have sufficient critical mass (due to demographics, resources, competencies, training, etc.) can develop in line with a **common territorial strategy**, through a standardised and comparable regulatory, methodological and parametric basis.

The regions face a major challenge, as they are required to **maximise interregional cooperation and solidarity** in the areas of sustainable development, especially as part of the implementation of the Global Agendas.

## Connected territories

The economic development of regions will not be possible without improving their connectivity on two levels: **physical** (infrastructure and collective mobility) and **digital** (through information highways and 5G/6G networks). Through adequate connectivity, regions must ensure equal opportunities for people, regardless of where they live or work.

## Digital networks: regions facing the technology gap

**Digital connectivity is a fundamental right in the 21st century.** In a competitive world, driven by technology and data and permeated by an increasingly digital and digitised economy, the progress of territories will only be possible by implementing major information highways, i.e. the so-called **5G networks**.

This new fifth generation mobile technology will increase connection speed, minimise latency and exponentially multiply the number of connected devices, allowing us to be connected to everything (IoT, or Internet of Things). A true **technological revolution** with countless applications in all economic sectors, which will facilitate the robotisation and sensorisation of many human activities.

The disruptive impact of such a revolution will entail an **overhaul of the production model**. In this context, the roll-out of 5G infrastructure for adequate coverage in all territories will be essential in order to avoid creating any kind of **digital or technological divide** in low-density areas, where market demand for this type of infrastructure is not guaranteed or is not feasible in terms of economic profitability.

In this sense, the rural environment and specialised industrial areas should be the recipients of public policy support, duly considered as the cooperation of local administrations with private operators. Public-private collaboration is an aspect



that cannot be overlooked in **national and sub-national strategies**<sup>5</sup> to modernise their digital networks for the development of production sectors.

Economic sectors that are deeply rooted in the territories and have a supra-municipal dimension, such as logistics, freight transport, mobility, the primary sector, industry, energy generation and transport, tourism, among many others, must be modernised and configured as efficient **digital ecosystems** around 5G technology, being able to network and attract and retain technological and entrepreneurial talent, ensuring that no territory is left behind.

### **Sustainable infrastructure, smart mobility**

The physical connectivity of territories is essential to ensure not only territorial cohesion and the strengthening of urban and rural links, but also to stimulate economic growth and the retention of talent outside the most agglomerated conurbations. Appealing to the concept of **territorial efficiency** is essential as a decisive factor for the balanced development of regions, since it provides for the management of territorial potentialities according to capacities and opportunities.

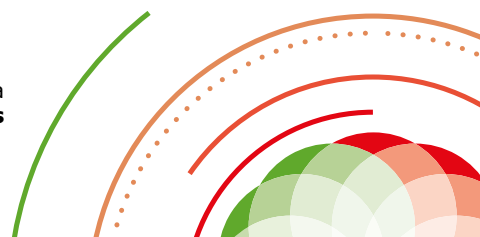
However, this development is not possible without the basis of a **network of efficient interconnected infrastructures** that allow synergies and complementary features between territories. A **systemic vision**<sup>6</sup> of mobility must prevail, which facilitates access to goods, opportunities and services in all areas of a single territory, and which, in turn, takes advantage of the agglomeration economies generated by urban centres.

However, the call for fair mobility in terms of territorial equity cannot be developed to the detriment of sustainability. Priority should be given to **decarbonised mobility** models based on renewable energies. Infrastructure systems should encourage a modal shift towards **collective mobility** or, alternatively, towards non-polluting vehicles. Likewise, **freight transport and logistics**, one of the main causes of greenhouse gas emissions, must be reoriented towards more sustainable mobility, prioritising rail systems.

Another major challenge in terms of connectivity is the **resilience of infrastructure**. In a context of climate change, the regions, as managers and planners of their territory, must ensure the promotion of strategic, sustainable corridors adapted to climate impacts, which are expected to become increasingly severe and frequent.

<sup>5</sup> In Catalonia, the 5G Strategy proposes an infrastructure for the deployment of 5G technology throughout the territory, promoting a fair network that does not generate technological gaps or grievances between territories.

<sup>6</sup> The 2020-2025 Mobility Master Plan is an example of comprehensive mobility planning across a large area of Catalonia, extending beyond metropolitan administrative boundaries, as it covers 12 counties containing 75% of the total population of Catalonia (5.5 million people).







## Cohesive territories

### Cohesion and territorial balance, a regional government approach

The territorial aspect of cohesion is, alongside social and economic aspects, one of the main areas of opportunity available to regions to improve their robustness, **reduce disparities** within their territories and increase their resilience in the face of future challenges.

Policies that increase territorial cohesion make a decisive contribution to enabling the most disadvantaged areas to gradually catch up with those that, for various reasons, have a higher degree of social and economic development. These policies focus on **curbing depopulation, access to opportunities** and improving **economic prospects** and **living conditions**.

Regions are ideally positioned to develop strategic actions to this end, as they have a broad territorial perspective, in partnership with local governments, whose effective scope of action is often limited to their built or administrative environment.

Depending on the different powers of the different regions, these actions may be advisory, guiding or supportive, or more executive and for the purposes of direct intervention<sup>7</sup>, helping to consolidate access to physical and digital infrastructures and quality local public

services throughout their territory, in a sustainable way and integrated with their social and environmental characteristics. The importance of territorial cohesion is illustrated by the current EU operational programme, for example, accounting for around one third of the entire EU budget.

The mechanisms for performing actions that develop these territorial cohesion policies can open up spaces for reflection and debate on the participation of the community in the benefits generated by public actions for **urban (re) development or the regeneration of cities** or obsolete or problematic parts of them. They can also contribute to **new or renewed sources of public funding** at a time when sub-national governments find themselves demanding sufficient funding to develop and achieve the ambitious goals set by the 2030 Agenda, the New Urban Agenda or the Paris Agreement without much opportunity to redirect budgets from one place to another, thus leaving existing programmes without funding.

In the context of the global pandemic, the medium- and long-term consequences of which are not yet clear, reflections on the role of sub-national governments have become more important. In this context, territorial cohesion must be the essential driving force in the design of public policies, aimed at ensuring that **no one is left behind** and that, in the face of a possible scenario of economic contraction, they guarantee the continuation of public services, the social shield and, in short, the achievement of global objectives.

<sup>7</sup> The Catalan Government's 2020 Plan for economic reactivation through urban development plans.



The changes required for the decarbonisation of human activities, digitalisation, the Urban Agenda, adaptation to climate change or the compression of urban fabrics all require more cohesive societies that are better equipped to face these challenges, as well as robust governments and public institutions capable of leading and accompanying on this journey through much more than just words.

Some of the universal objectives related to territorial cohesion policies are:

- Strengthening the role of the regions
- Contribution to **economic**, social and territorial **decentralisation**
- Renewal of **public funding**
- Stopping **depopulation** and **business relocation from** disadvantaged areas
- Boosting **employment and sustainable economic growth** across the territory

## Territorial governance for new urban realities

The expansion of the urban phenomenon in recent decades has led to the emergence, with increasing power, of **functional realities that go beyond municipal boundaries**. These are territorial areas in which the relationships and interdependencies between municipalities are evident, either because there are areas performing common economic activities or because they share facilities, services, goods and opportunities.

In this context, the increase in forced mobility, arising from the improvement of the physical connectivity of territories, has meant that regional capitals have evolved towards more fragmented, systemic and complex urban models, with an unquestionable territorial matrix that goes beyond physical conurbations or even metropolitan realities. The so-called **functional urban areas**, made up of different municipalities, are the new urban realities of the 21st century.

Thus, this new urban reality demands the establishment of mechanisms for governance, planning<sup>8</sup> and ad-hoc management, which act from a **supra-municipal perspective**.

It is also a challenge to respond to the growing rural-urban gap and to adopt a policy of territorial rebalancing. In this sense, the opportunities offered by the 21st century must also be opportunities for rural territories. Therefore, beyond relying on them for the provision of resources (ecosystem services, water cycle, food security or energy generation), and to reduce the impact of urban outputs (waste, etc.), it is important to **open up spaces so that the rural world can also be a space of opportunities** in which to live and work.

On the other hand, the current **governance mechanisms between the different administrative levels** differ, and in many cases could be improved. The omission of the principles of

<sup>8</sup> Urban planning is an opportunity to develop plans from a supra-local perspective.





subsidiarity and decentralisation, and the excessive sectoral compartmentalisation of its institutional architecture, are often combined with the structural and economic deficits of public administrations.

These shortcomings must be identified in order to design and establish a series of actions to improve governance and enable all levels of government to effectively and efficiently fulfil their mandate to serve citizens. Therefore, it is necessary to establish diagnostic criteria, identify the corrective or improvement measures to be applied and implement them. In short, it is necessary to **change the current governance model** to make it more agile, efficient and closer to people's needs.

To this end, it is essential to ensure the sufficiency of territorial administrations, understood in terms of both **regulatory capacity** and **financial sufficiency**. In this sense, the financing problems suffered by regional administrations (which, on the one hand, often lack their own tax framework that allows them to modulate their tax collection and revenues in accordance with the spending needs that are met, and, on the other hand, do not enjoy efficient access to supranational sources of funding) pose an added difficulty when implementing an effective policy of solutions for citizens.