

Budapest Communiqué
on European urban areas facing demographic and climate challenges
by the Directors General responsible for urban development

Budapest, 2 May 2011 (*draft of 27 April*)

- (1) *The Directors General responsible for urban development in the Member States of the European Union, express their appreciation for the efforts and progress achieved by the Hungarian Presidency in analysing some of the most pressing challenges for the sustainable development of European urban areas. While urban areas also face many other important challenges, the recommendations put forward in the present Communiqué and its Annex only relate to the two topics mentioned in the title.*
- (2) *The sustainability of European urban areas which is an essential condition of long term development has to be emphasised. The Budapest Communiqué aims to contribute to the growing collaboration on urban development issues by the Member States and build on the results and decisions of the Bristol, Leipzig, Marseille and Toledo ministerial declarations. The challenges of sustainable urban development discussed in the Communiqué are long term in nature. In order to tackle them, local, regional, national and EU-wide policies should be developed in a coordinated policy-development process.*
- (3) *The statements summarised in this document cover the results of the Hungarian Presidency's work on analysing demographic and migration challenges; exploring different management tools to tackle climate change mitigation and adaptation at the urban level; and strengthening the urban dimension of territorial cohesion in the framework of the review process of the Territorial Agenda of the European Union. The current statements, however, do not pre-empt the position of Member States and future agreements on the future financial framework and legislative package for EU funds and policies, nor are they legally binding.*

The urban dimension is essential in the context of current challenges and long term goals related to Europe's sustainable development

- (4) The first decade of the 21st century brought crucial changes in the conditions of European development. Besides the speeding up of globalisation and climate change, demographic changes are increasingly visible and will pose different challenges for different Member States and their various regions. At the same time, by the end of the decade the deep financial and economic crises have seriously limited the public sector's room for manoeuvre to respond, thus deepening social and economic disparities between EU territories.
- (5) Reaching the current objectives of the European Union defined in the Europe 2020 Strategy – to achieve smart, sustainable and inclusive growth – will be significantly helped by the active involvement of cities and towns. Urban areas are key drivers of economic performance, the main centres of innovation and important places where social, economic and territorial cohesion can be achieved; thus, their role in the implementation of the Strategy is essential. Sustainability of urban areas is a key condition for long term development as the risk of socio-demographic crises and environmental disasters affecting certain cities and towns can threaten economic growth and social cohesion in the EU as a whole.

- (6) The concurrent emergence of these different challenges, and the mutual relationships between the Europe 2020 Strategy targets, have underlined the growing importance of integrated approaches at European, national, regional and also at the local level. In undertaking the task of integrating these elements, it is the local level that has the appropriate knowledge and high innovation capacity to deliver concrete outcomes. Thus European urban areas should be the main platform of integration, serving as a basis also for integrated national and European strategies.
- (7) The idea of a sustainable Europe requires long term perspectives that should be supported beyond the horizon of the Europe 2020 Strategy. This vision has to be based on the characteristics of the 'European city': the influence of public policy over urban development aiming at compact spatial development, territorial cohesion, social integration, and balanced economic development in urban areas; also taking into account the wide variations between European cities and towns; and on the values of 'European territorial development': polycentrism and balanced territorial structure, including urban networks as well as urban-rural linkages, to ensure a minimum level of well-being across the EU.
- (8) Further and committed steps towards realizing these ideas need to be taken in the short term, under the framework of Europe 2020 Strategy implementation. The balance and integration of the territorial, economic, environmental and social aspects in the Europe 2020 Strategy objectives and their five headline targets should be reflected not only in the strategy itself but also during its implementation.

Key challenges of European urban sustainability highlighted by the Hungarian Presidency

- (9) The analyses of the Hungarian Presidency on the impact of demographic trends and climate change on Europe's cities and regions, draw the attention of decision makers at local, regional, national and European level to the challenges of territorially, economically or socially uneven urban development resulting from these trends. The following issues should be considered in order to design the most appropriate integrated urban development strategy to address these challenges:
- (10) Within the European free movement regime skilled and talented people are moving from less developed regions to more developed regions. The inflow enhances overall economic expansion in the highly developed European metropolitan areas – but can increase at the same time their infrastructural, environmental and social problems. Besides this the outflow can generate adverse economic scars, brain drain, depopulation and decay in the European peripheries and regions lagging behind. Thus the migration of skilled labour can threaten to increase imbalances in territorial development. This effect should be minimised wherever necessary through adequate policies, especially those tackling the qualification of human resources for making cities and regions attractive with respect to their own development potential in order to reduce the gap between regions and areas of depopulation and development.
- (11) The regional strategies, in accordance with national and local policies, should be able to determine which types of job opportunity best suit their future growth. Within this framework integrated actions are needed across policy areas, particularly promoting the creation of adequate job opportunities and also employment and social inclusion measures allowing the equality of chances for accessing to these jobs. In order to reduce and avoid the growing exclusion of certain social groups, cities and towns, in addition to attracting highly skilled jobs, should also pay attention to the development of adequate job opportunities, and make concerted improvements to the educational, social and housing situation of disadvantaged groups, particularly when they are concentrated in deprived urban areas. Social inclusion and territorial cohesion measures can also stimulate economic growth.
- (12) The consequences of a worsening balance between different age groups have to be managed. An ageing society, if not properly managed, may lead both to strain on cross-generational solidarity, and increase fiscal pressures on existing social welfare systems. Cities and towns and the relevant authorities should prepare for the needs of the changing population age structures, seeing it as an economic and social opportunity as well as a challenge. At the same time, policies encouraging a

more balanced age structure (including support for family friendly policies) and higher economic activity rates should be supported by the local level, too.

- (13) The threat climate change poses to urban areas should be managed and any opportunities that it presents should be exploited. As a consequence of climate change, the reduction of natural resources (e.g. water and biomass reduction) will continue to be a threat in some regions, in parallel with the emerging risk of natural and technological hazards in others (e.g. river floods and sea-level rise, heat waves, droughts, desertification, including their potential secondary effects as the threats to human health and security caused by damaged infrastructural and technological facilities), leading to social, infrastructural, industrial and ecological emergencies. Due to their high concentration of population, infrastructure and economic activity, urban areas are especially vulnerable. Cities also have a crucial role in mitigating climate change impacts. A variety of efficient means to develop climate-friendly cities is available and should be used. On the other hand, the effects of climate change mitigation and adaptation also create opportunities for alternative economic growth and raising environmental awareness.

Recommendations for European, national and regional level urban policies

- (14) Cities and towns have a key role in responding to the upcoming challenges regarding demography and climate change and should have the appropriate urban policy instruments to deal with them.
- (15) Community policies – Cohesion Policy, Environmental, Transport, Migration, Energy, Innovation, Rural Development, Employment and Social Affairs – are important for lowering the economic development gaps within Europe. The territorial and urban dimensions of EU policies are of crucial importance in promoting the sustainability of urban areas as a key condition of economic growth. The statements in the Toledo Declaration should be taken account of: it should be a political priority to empower all European cities and towns to tackle future challenges, such as the territorial effects of demographic and climate change related processes and the territorial disparities of development which affect particularly the inhabitants of deprived neighbourhoods, rapidly and unsustainably growing city outskirts as well as those in shrinking towns and cities in rural and peripheral areas.
- (16) In the field of sustainable urban development national, regional, and local level policies are at least as important as European policies. Member States are urged to actively promote integrated sustainable urban development policies at all levels and to support cities and towns in tackling the challenges deriving from demographic and climate change. Supportive legal and incentive structures, such as adequate planning regulation, carbon tax or emission trading schemes for example, can greatly enhance cities' potential to succeed. They should share their relevant knowledge, experience and good practices and involve regions, cities and towns, and city networks in that process.
- (17) The territorial and urban dimensions of EU level strategic planning documents (e.g. Community Strategic Framework) for the next programming period and beyond should be further extended if there is an EU added-value in the areas concerned. Plans and programmes should where appropriate incorporate a sound territorial, including urban, dimension which should be taken into account when formulating national development programmes.
- (18) Urban and rural types of intervention should complement the planning and implementation of forthcoming European level strategies for the inclusion of marginalized communities (e.g. Communication on a European Framework for National Strategies for Roma Integration) in order to prevent further exclusion and achieve better integration. Such interventions at European, national, regional and local levels should complement the national, regional and local approaches on social integration.
- (19) In line with the principles of the Territorial Agenda, urban policies should contribute to polycentric urban development aiming at a more efficient and well balanced territorial development, to avoid the parallel processes of sprawl in over-densified areas and de-population of peripheral regions in contrast to organic and gradual development which makes better use of public resources. In the context of polycentric development, small and medium sized towns play an essential role fostering

development in a wider territory. Therefore, it is important to improve the accessibility of urban centres to surrounding rural territories and deprived urban neighbourhoods to ensure the necessary availability of job opportunities and services. Urban-rural interdependence and area-based approaches to deprived urban areas should be recognized through integrated governance and planning based on a broad partnership approach. To this end, urban policies should address the challenges of improving urban-rural cooperation and urban accessibility.

- (20) Dissemination and sharing of best practice on sustainable urban development should be supported in the framework of already existing European urban networks and programmes (e.g. URBACT, EUKN, EUROCITIES), and urban research networks (eg. JPI Urban Europe), both by bottom-up and top down approaches. In addition, the support given by the Committee of the Regions and the Commission to the Covenant of Mayors mobilising more than 2000 cities to take measures to fight climate change and support sustainable development has to be underlined. A better coordination between existing networks in order to avoid duplication of efforts is encouraged.

Recommendations for cities, towns and urban agglomerations:

- (21) Cooperation and the proactive engagement of European cities and towns is needed around relevant sustainable development key challenges which may affect all European urban areas. The concept of sustainability also means that decisions and measures taken are reversible and the risks that go with them should be manageable for future generations. When addressing these challenges, cities and towns should therefore strive for technological solutions that are reversible and do not impose unmanageable risks for their populations.
- (22) Cities and towns across Europe recognise the importance of integrated strategies in helping to manage the relevant challenges. Such integrated urban strategies could provide the means to balance short-term issues with the benefits of addressing long-term challenges, as well as integrating the development of different sectors and at different territorial levels.
- (23) Multilevel governance and partnerships are important when dealing with climatic and demographic challenges in urban areas. Where appropriate, strategic planning and decision making processes should be based on urban-rural partnerships and area-based approaches to deprived urban areas supported by long term national and trans-national instruments and policies to address urban issues including transnational risk management, sustainable development and environmental protection as well as social inclusion, economic competitiveness and accessibility of services. In this regard, approaches for integrated urban development policy have to be strengthened. Within these multilevel frameworks, cities and towns can strive to develop their own ways and 'good practices' for integrated sustainable urban development by providing their citizens and stakeholders with opportunities to participate in decision making processes.
- (24) Where appropriate, cities and towns are encouraged to cooperate and build networks from regional to European level. Their joint participation is an excellent opportunity for cities and towns to contribute to planning and implementing strategies for national urban policies. Opportunities for urban participation should be provided in the framework of the next programming period of the EU. The involvement and participation of cities of all sizes should always take the specific regional and national context into account according to the principle of subsidiarity. The relevant measures will depend on their own geographical specificities, political, cultural, legal and administrative systems using the appropriate structures or processes. In this context, the Reference Framework of Sustainable Cities (RFSC) is considered a useful approach to foster the dialogue about sustainable urban development between cities and towns to promote integrated thinking and action. This may be underlined by the presentation of the results of the testing phase of the RFSC during the informal Ministerial Meeting under the Polish Presidency at the end of 2011.
- (25) By exploiting the economic opportunities presented by key challenges, cities and towns can formulate local economic policies enhancing the use of internal resources in their city regions and hinterlands, stimulating regional markets and promoting the creation of job opportunities as

appropriate. Cities and towns can expand their role as engines of innovation, supporting the growth of a green economy as well.

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- (26) *The Directors General responsible for urban development of the Member States of the European Union considered that work on other aspects of sustainable, balanced and integrated urban development – with special regard to the implementation of the Action Plan of the Toledo Declaration approved by the Directors General in Ghent during the Belgian presidency – should continue in the future under the leadership of forthcoming EU presidencies.*
- (27) *Decision makers and stakeholders involved in urban, territorial and related sectoral policies in Member States, and at EU level, are asked to consider the suggestions of the Budapest Communiqué. Readers of the Handbook on Climate-friendly cities and the Synthesis Report on the “Impact of the European demographic trends on regional and urban development” are encouraged to adapt, where appropriate, the recommendations of these documents to their specific circumstances, and develop, refine and expand relevant knowledge according to their needs.*
- (28) *Therefore, the Directors General undertake the task of disseminating the documents prepared in the framework of the Hungarian Presidency of the Council of the European Union and initiate further reflection and debate on these topics at national, regional and local levels within their competencies and possibilities.*
- (29) *The Directors General responsible for urban development of the Member States of the European Union take note of the recommendations and proposals of the Hungarian Presidency summarised in the Annex of the Budapest Communiqué.*

Annex

to the Budapest Communiqué on sustainable European urban areas facing demographic and climate challenges

The Hungarian Presidency, following the work of the Spanish and Belgian Presidencies as part of the Trio, decided to work on the sustainability dimensions of the European strategic vision in the context of the Europe 2020 Strategy, as well as longer term with a special focus on cities and urban areas. In this field the Hungarian Presidency made progress in three topics:

1. European demographic and migration challenges resulting in a synthesis report “Impact of the European demographic trends on regional and urban development” to be discussed at a high level conference on 3 May 2011.
2. The impacts of climate change on urban areas were approached in an integrated way, resulting in a handbook entitled “Climate-friendly cities - A Handbook on the Tasks and Possibilities of European Cities in Relation to Climate Change”.
3. The urban dimension of territorial development was strengthened through the evaluation and revision of the Territorial Agenda (TA) coordinated by the Hungarian Presidency and prepared in collaboration with the Network of Territorial Cohesion Contact Points (NTCCP) to be adopted by the relevant ministers of the Member States at their informal ministerial meeting in 19-20 May 2011 (Territorial Agenda of the European Union 2020).

The documents on demographic challenges and climate change were discussed by the Urban Development Group (UDG) meeting in February 2011 and they were presented to Member States at the Directors General meeting on 2 May 2011. The UDG has also been involved in the revision process of the TA, and as an important result strengthened the relationship between territorial cohesion efforts and urban policies in the revised TA.

The Hungarian Presidency by strengthening the sustainability aspects of urban development followed the common European thinking on sustainable and integrated urban development, building on the Bristol Accord (2005) defining sustainable communities; the Leipzig Charter on Sustainable European Cities (2007) - stating that all dimensions of sustainable development should be taken into account at the same time and given similar weight; the Marseilles Statement (2008) on sustainable and cohesive cities - emphasising the need to take into account the implications of climate change for urban development - and the Toledo Declaration (2010) - addressing implementation of the strategy in urban development and emphasising the importance of integrated approaches.

On this basis, the Hungarian Presidency submits the following recommendations and proposals:

1. Cities and urban areas addressing demographic challenges

Demographic change is one of the most serious challenges Europe faces in coming decades. It will thoroughly transform European societies and create a new economic and social environment. Demographic change may lead in the long run to a decrease and ageing of European population, a significant change in the ethnic composition of the population, and a widening gap between the more developed and less developed European regions. Practically all urban areas are affected by some elements of demographic change such as population shrinkage or dynamic growth, migration inflow or outflow, population ageing and low reproduction rate.

The detailed study of demographic change, prepared by the Hungarian Presidency, explored the different factors behind demographic processes with special relevance to their effects on the local level and potential responses by cities and towns.

Demographic processes – combined with economic factors – will shape European urban areas towards significantly different development types. In the following the three main types of future development are described:

- ***Dynamically growing cities:*** even in the long run there will be cities experiencing strong population increase as a consequence of their economic power. These cities are mostly bigger cities in North-Western and Southern Europe with local economies connected closely to world markets. As economy is the most relevant factor of attracting migrants (who are usually younger and have higher fertility rate) these cities will remain hosts of migrants (both internal and from third-countries), with the increase of their share of population in the long run. This may result in serious problems of ethnic discrimination and spatial segregation. This type of city should concentrate on:
 - the operation of proper integration strategies by making room for the participation of immigrants in all aspects of the society (work, education, health, affordable housing), thereby also enabling the immigrants to take personal responsibility for their own integration;
 - tackling the pressing additional demand for infrastructure and public services and the further increasing the density of the built environment which is becoming a crucial problem as a consequence of substantial population growth.
- ***Cities and towns with stable populations:*** cities and towns with a less dynamic economy and a stable or modestly shrinking/growing population. This category includes a wide range of cities and towns with different demographic parameters like ageing, modest outflow or inflow of residents, loss of the workforce. This type of cities and towns should concentrate on:
 - the improvement of labour market conditions in order to avoid that demographic changes that speed up and turn into irreversible decline;
 - following flexible urban strategies, responsive to population ageing and open to any potential changes, including the possibility of new immigrants and population growth returning.
- ***Rapidly shrinking cities and towns:*** urban areas experiencing both substantial demographic and economic decline. Such areas (and areas where a growing share of inactive residents and declining economy is connected to population increase elsewhere) are mostly located in the Central and Eastern part of the European Union and also in some peripheral areas of Western, Southern and Northern Europe. This type of cities and towns should concentrate on:
 - the structural redefinition of their economic basis by finding new innovative and sustainable sectors of economy; making the cities more attractive and innovative;
 - adaptation to the partial collapse of the relatively oversupply in infrastructure, housing and public services.
 - improving territorial connectivity for individuals, communities and enterprises, ensuring access to services of general interest, information, knowledge and mobility.

Besides these specific policies there are certain measures that are advisable for all cities and urban areas, no matter which special demographic and economic development type they belong to.

We recommend:

- implementing local employment programmes in order to activate the hidden reserves of the resident population and reduce the effect of the shrinking workforce due to ageing or outmigration;
- creating a family friendly environment and strengthening the social context, supporting family oriented measures in order to support those wishing to have larger families and to stay in urban areas;
- strengthening local child-care services to create better conditions for child-bearing and to encourage the participation of parents in the labour market;
- implementing approaches in housing, urban and spatial planning to encourage the design of mixed residential areas, regarding age, family structure and social composition;
- providing new and improved local services for the ageing generations (social, health care, culture, transportation, barrier-free environment etc.);

- implementing cultural and social activities and programmes that can strengthen social cohesion and community development, while promoting the respect for cultural diversity and reducing possible social tensions;
- providing a secure and safe urban environment in order to lower spatial segregation and increase the quality of life of all inhabitants.

National and European level tasks to address demographic challenges

As demographic processes may deepen the already existing development gap between the more and less developed regions of Europe, special efforts have to be taken - in the framework of national regional policies, the Cohesion Policy and also the Rural Development policy of the European Union - to reverse this process. This is not only a value based necessity but also brings economic benefits, as there is considerable potential for development in lagging areas.

To tackle the loss of working age population it is extremely important to increase labour market activity rates. There are many tools available from the provision of flexible working conditions to the training and social inclusion of inactive people, also partly supported by EU measures.

In order to handle the problems caused by natural population processes high priority should be given to measures to support families having more children (like flexible employment conditions, supporting social services, and basic maternity supports).

To address the demographic challenges, Europe needs to establish a new solidarity across generations. The potential of third country migration should be used in a more active way, and in order to do so national migration policies should take into account their sub-national levels (regions, urban areas) when shaping them.

The demographic challenges and the headline targets

From the perspective of demographic changes the following links can be developed with the five headline targets of the EU 2020 Strategy:

- The most effective way of fighting the economic consequences of ageing is to raise the activity level of the citizens aged 20-64 to 75% (target 1). In order to achieve that the most vulnerable groups (like seniors, youngsters, women and ethnic minorities) have to be incorporated better into the job market.
- A 10% reduction in school drop-out rates (target 4) could contribute to achieving higher activity rates and a lower level of poverty (target 5: lifting 20 million people out of poverty). These goals are also the focus of demographic policies which aim at integrating inactive youngsters into education and lowering levels of poverty and segregation.

2. Climate friendly cities and towns

Climate change is another serious global challenge which will significantly influence the life of the citizens of European cities. Hungary contributed to this issue with the Handbook on Climate Friendly Cities with the aim of supporting cities and urban policies.

Climate challenge has strong urban relevance

Two thirds of Europe's population live in urban areas, and the role that cities and towns play in the context of climate change is undeniable. Cities and towns are responsible for 60% to 80% of global energy consumption and of all global emissions. In Europe, 69% of all greenhouse gas emissions are generated in towns and cities. Beyond the causes the negative consequences are also concentrated in urban areas.

Cities can act

The role that towns and cities play in tackling the effects of global climate change in terms of emission reduction, mitigation, and adaptation is fundamental. City-level responses and local action shoulder a significant part of the responsibility for tackling the effects of climate change and, in general, promoting sustainability. In co-operation with relevant national and EU policies, the economic players, and the social partners, the leaders of cities and urban areas are indeed capable of taking action at city level on both mitigation and adaptation.

Geographically, the climatic challenges faced by cities and towns across the European Union show great diversity, so no unified policy model or standard solution exists. However, there are a range of possible approaches and means that can be used effectively in most cases with the necessary adjustments. There is scope for cities and towns to act to address nearly every aspect of urban development and city management, all the way down to the everyday lives of citizens and institutions. With cuts in public budgets, the key economic actors will have to play an increasingly important role, thus local governments should develop strong policies to encourage the green economy and local economic development.

The pillars of climate friendly cities

Integrated approaches and governance: Local authorities have many specific tools, such as their institutions, local regulations, taxes, financial incentives and investments, to address climate change mitigation and adaptation of their urban areas. First of all, we emphasise the crucial importance of integrating strategies and governance aspects.

The “climate partnership” and multi level governance in city regions

Cities and towns are encouraged to create a broad and systematically organised partnership as follows:

- Co-operating with national and regional authorities, municipalities covering functional urban areas as well as with sectoral policies;
- Designing an urban climate policy within the framework of a widely based, permanent and well organised partnership that integrates both residents and the civil and economic actors;
- Integrating climate-friendly issues at every stage, all the way from regulation to dissemination of information among the population and the economic actors, design of incentives and the operation of public services. The more areas of competence city governance may rely on, the stronger urban climate policies can be;
- The city's economic policy may be an important tool in shaping an urban climate policy, particularly if it is able to follow the goals and principles of the green economy and strengthen the local economy based on local resources;
- Sharing the knowledge and the experience of climate policy initiatives with other cities and towns, and national and EU institutions preferably through city networks.

Climate planning in integrated strategies:

Cities and towns should integrate climate issues into their strategies along the following principles:

- Linking urban climate planning to the city's urban development and management processes and procedures in an integrated, multilevel approach dealing with both the mitigation and the adaptation possibilities.

- Similarly to the practice of sustainability integration, the issue of urban climate planning should be integrated in different sectoral programmes of a city in a horizontal way. Current environmental or sustainability integration procedures can be used for this purpose as well (e.g. strategic environmental assessments).
- Climate change should be taken into consideration at every step of the strategic planning (situation analyses, definition of objectives and means, follow-up and planning of the implementation) whenever urban strategies are prepared.

Climate friendly spatial structure of the city through planning and zoning

Cities and towns should aspire to:

- A compact urban structure, in which interactions are high, transport distances are moderate and urban land use is restricted in space with efficient energy networks;
- Dividing urban structures into non-built-in areas, green zones, zones ensuring natural ventilation;
- Reducing travelling, transport needs within and outside the city; territorial optimisation of locations of jobs, residential areas, services and transport lines;
- Developing a polycentric pattern of the city region and in the inner structure of the cities;
- Extending urban green spaces and developing them for quality, as well as linking them into a green network connecting with the hinterland landscape;
- Favouring investment in brown field areas and avoiding rural areas or green field developments.

Urban rural (city and its surroundings) co-operation

Local governments, relevant private and societal actors are recommended to cooperate in order to:

- Strengthen the cooperation of the city and the actors in its hinterland, so urban sprawl can be avoided, the intergrowth of the built up areas around the city prevented, and energy consumption and loss of spaces with ecological functions not increased;
- Limit the sprawl of built up areas by avoiding the rapid transformation of peri-urban rural and natural green areas, and directing the unavoidable extension of the city along community transport lines;
- Increase the food supply of the city from its region thus shortening the distribution chain within the region.

Deprived social groups and social effects

In order to help deprived social groups and take account of social cohesion issues cities and towns are recommended to:

- Take into account the interests and specific risks of the deprived social groups who need additional help to adapt to the changing circumstances. Deprived social groups in cities are particularly vulnerable to the impact of climate change;
- Carefully monitor the possible negative social effects of adaptation and mitigation measures and, if needed, take counterbalancing measures, paying particular attention to deprived urban areas.

Climate friendly architectural solutions

In the regulation and development of local architectural approaches cities should put an emphasis on:

- Contributing to the mitigation, through efficient building energy solutions (e.g. passive houses, low carbon building);
- Reducing energy consumption of households (heating, cooling, lighting), and public spaces as well as promoting and facilitating the use of alternative energies (e.g. solar, geothermal);
- Ensuring water saving and recycling solutions in buildings' architecture and in public spaces;
- Adapting buildings and public spaces to extreme conditions;
- Using a holistic energy-cost-emission assessment approach for the whole life cycle of buildings in the design stage.

Climate-conscious attitude and lifestyle

Local authorities are recommended to increase the responsibility of individuals in contributing to sustainability. Individual life-styles can be influenced by education, cultural activities, communication campaigns, events and other investments in order to strengthen:

- A common responsibility for the state of the urban environment and common social values;
- A sustainability-aware lifestyle, attitudes to travelling, consumption and market demand;
- Sharing knowledge on the consequences of climate change as well as on mitigation and adaptation strategies and measures;
- Promoting the use of local resources and marketing by local producers;
- Increasing the awareness of civil society, cultural and religious institutions and social groups in order to strengthen the cohesion of local communities.

Sector pillars supporting a climate friendly city

- Cities and towns can do a lot to help prevent the effects of climate change by functioning as local markets and strengthening a local economy that encompasses both the city and its rural hinterland, aiming to satisfy local needs from local resources
- Creating low carbon urban transport systems, with competitive and safe public transport, giving preference to pedestrian and cycling mobility, promoting technical adaptations to climate change in service provision (shadowing, air conditioning, infrastructural elements, etc.)
- Ensuring the efficient and energy saving management of cities and town, combining of green and local energy production with the local development of the economy, the use of renewable energies, e.g. biogas production from municipal waste
- Organising urban water management systems to reflect the natural hydrological systems and integrating settlements in the water catchment area
- Preparing disaster management and health care services' readiness to manage the consequences of an increasing risk of hazards (floods, sudden heavy rains, sea level rise, heat waves, water scarcity, industrial and technological disasters, etc.) to address sudden health, security and disaster challenges.

The climate change challenges and the EU2020 headline targets

The target of some main indicators of EU 2020 Strategy can be achieved through sound support for climate change-related urban development interventions:

- The climate and energy target of '20/20/20' (Target 3 on cutting greenhouse gas emission, increasing energy efficiency, and supplying energy needs from renewable sources has a direct relation to cities, as focal sites of energy emission and consumption.
- Target 1, increasing the employment rate (from the 69% to 75%) of the population (aged 20-64) can be supported through the green economy and local economic development that are key elements of the economic policy of climate friendly cities. These green growth related interventions have a high labour intensity requiring qualified and untrained employees as well.
- The climate friendly development and management activities of cities and towns may significantly contribute to Target 2 by raising investment in R&D (to 3% of the EU's GDP). On the one hand, many technology intensive mitigation and adaptation actions with a continuously developing scientific and engineering background require innovative solutions. The related rapidly spreading innovations are frequently locally developed or require local adaptation and improvement. On the other hand, climate change itself, especially as an urban phenomenon, requires a lot of applied research at a global, regional and, particularly, local level.
- Social groups living in poverty and suffering from exclusion are more vulnerable to the negative effects of climate change. The climate change adaptation actions of cities and towns – especially if they take affordability and the special position of poor social groups into account – can do a lot to improve the living conditions of deprived population groups as well. These efforts can create new chances for Target 5, to lift these groups out of poverty, contributing to the target on reducing the number of Europeans living below the poverty line (at least 20 million fewer people in or at risk of poverty and social exclusion).

3. Broader territorial aspects of the city - Urban dimension in the revised Territorial Agenda of the European Union

In the course of the Hungarian EU Presidency the Ministers responsible for spatial planning and territorial development, in cooperation with the European Commission, have reviewed the Territorial Agenda agreed in 2007 and agreed upon the new Territorial Agenda of the European Union 2020 (TA2020); a policy framework to support territorial cohesion in Europe. The Hungarian Presidency's shift towards an integrated model of urban and territorial development policy strengthened the urban dimension of the Territorial Agenda.

The revised TA underlines the importance of the interplay between EU-policies, national, regional and urban development policies. From the urban point of view, TA2020 declares that the objectives and concerns set by Ministers responsible for urban development in the Leipzig Charter on Sustainable European Cities, and the Marseille and the Toledo Declarations on Urban Development should be taken into account in territorial policy making at all levels.

All challenges discussed in TA2020 are important for cities and have specific implications for urban areas, the following ones are especially important:

- Europe faces increasing and territorially differentiated demographic challenges. Ageing and depopulation will bring about changes in many regions. Significant intra-European migration after the EU enlargement and immigration mainly from less developed non-EU countries pose specific challenges especially on urban areas.
- Exclusion from the socio-economic circuit definitely has a strong territorial character. Vulnerable groups and ethnic minorities often end up concentrated in certain urban and rural areas and their integration is hindered as a result. These territories are usually part of larger administrative units and are hidden within official statistics. TA2020 encourages the accessibility of urban centres in peripheries where several social and economic disadvantages often result in territorial segregation of vulnerable groups.
- Urbanisation and urban sprawl particularly where they take place in a territorially uncoordinated manner, can cause severe environmental problems and contribute to high, unsustainable energy consumption rates. Changes in land use, urbanisation and mass tourism threaten cultural assets and landscapes and may lead to fragmentation of habitats and ecological corridors.

Among the territorial priorities of the TA2020 polycentricity has crucial role. According to the TA2020 polycentric territorial development of the EU is key element of achieving territorial cohesion. Where the most developed cities and regions distributed in a balanced way within Europe cooperate as parts of a polycentric pattern, they add value and act as centres contributing to the development of their wider regions. Therefore urban development policies also have a significant role in strengthening territorial development. Polycentric territorial development policy should foster the territorial competitiveness of the EU territory also outside the core 'Pentagon area'. TA2020 encourages cities to form networks in an innovative manner, which may allow them to improve their performance in European and global competition.

The TA2020 encourages integrated development in cities, and recommends applying an integrated and multilevel approach in urban development and regeneration policies. The cooperation and networking of cities could contribute to smart development of city regions at varying scales in the long run. Accordingly cities should look beyond their administrative borders and focus on functional regions with their peri-urban neighbourhoods. Urban-rural interdependence should be tackled through integrated planning based on broad partnerships. In rural areas, small and medium sized towns have an important role; therefore it is important to improve the accessibility of urban centres from rural territories to secure proper availability of job opportunities and services of general interest.

TA2020 articulates that realisation of territorial cohesion needs extensive cooperation of different policies and actors. As the document states, cities and towns are key actors for the implementation of the TA2020 as well as for fostering territorial cohesion. Consequently TA2020 encourages regions and cities to develop and adopt integrated strategies and spatial plans as appropriate, which increase the efficiency of all interventions in the given territory. Besides coordination and planning mechanisms, awareness raising and provision of territorial information and methodological support is essential in this respect. TA2020 welcomes the elaboration of the European Reference Framework for Sustainable Cities as an open and flexible tool to help the cities to set up a more sustainable and inclusive development.