The presidency concluded the following:

1 **Observations and territorial challenges**

1.1. The Ministers confirmed their view that the key challenge, as identified at the Rotterdam informal ministerial conference, is to integrate the territorial dimension into EU policies with the aim of achieving a coherent approach to the development of the EU territory, on the basis of the concept of territorial cohesion.

1.2. They underlined the following overarching key considerations for future work taking into account the principles agreed in Rotterdam, namely integration, no new procedures or rules, subsidiarity and facilitating development:
   - The incorporation of the territorial dimension, as well as the concept of territorial cohesion can add value to the implementation of the Lisbon and Gothenburg strategy by promoting structured and sustainable economic growth;
   - Nearly all sectors and policies include a territorial dimension. For this reason there is considerable potential for coordination across these sectors and policies;
   - Reporting and dialogue are important elements of coordinating the development of the EU territory without creating new procedures.

1.3. They noted the following key developments on the EU political agenda in this respect:
   - the Midterm review of the Lisbon Strategy and the 2005 review of the EU Sustainable Development Strategy including a dialogue on the national follow-up activities;
   - the proposals of the “Commission for Community Strategic Guidelines on Cohesion” for 2007-2013, and for National Strategic Reference Frameworks on both EU cohesion policy and EU rural development policy;
   - The constitution adopted by the Council and subject to the ratification procedure, which includes territorial cohesion as a new objective together with economic and social cohesion.

2 **Actions in the framework of the Rotterdam agenda**

2.1. They took note of the progress made in preparing the document ‘The Territorial State and Perspectives of the European Union’. They endorsed the proposed themes and priorities identified in the scoping document and confirmed their support for the development of a final document by 2007. They agreed that the final document should be based on the key considerations set out at 1.2. above and should inform, in particular, the EU policy developments highlighted at 1.3. above as well as other relevant policy discussions.

2.2. They welcomed the efforts of the European Commission to incorporate territorial aspects into the Community Strategic Guidelines on Cohesion for the 2007-2013 EU cohesion
policy and asked the Commission to consider the priorities put forward in the scoping document.

2.3. They noted that the proposals of the European Commission to strengthen the Lisbon strategy ("Working Together for Growth and Jobs. A New Start for the Lisbon Strategy") endorsed by the European Spring Council incorporate a territorial dimension in four ways: a) innovation poles linking regional centres, universities and businesses; b) national Lisbon action plans; c) attractiveness of areas to businesses and daily life; and d) the requirement to involve regional and local actors (multi-scale-actor approach). They expressed the view that further consideration of the territorial dimension in EU policies could add value to the implementation of the Lisbon strategy.

2.4. They endorsed a document setting out a “common understanding on the orientations of an ESPON 2” Programme for 2007-2013, which is annexed to the presidency conclusions. The document is based on the experience of the current ESPON programme and the analysis of present and future EU territorial challenges. They asked the Commission to take the common understanding into account in developing its proposal on a ESPON 2.

3 The Policy agenda until 2007

3.1. The Ministers agreed to develop, together with the Commission, the European Parliament and in consultation with relevant stakeholders, a report on the "Territorial State and Perspective of the European Union" to be adopted under the German EU Presidency in 2007. They agreed that the report should:

- be based on all relevant sources such as the ESPON analyses, the ESDP and Interreg, studies launched by the Commission and other examples of good practice of EU and national territorial development policies;
- include inputs to policy prepared by Member States as results of bilateral or multilateral workshops or meetings on territorial cohesion;
- offer EU institutions, Member States, regions and other stakeholders a better common insight into the territorial state and development perspectives of the European Union, and provide a clear and comprehensive information base and future spatial orientations to address key challenges and opportunities;
- formulate a clear policy scope and priorities for strengthening territorial cohesion in the light of the Lisbon aims and address disparities as well as specific territorial conditions in the Member States and their regions.

3.2. They stressed the importance of stimulating a broad EU dialogue on territorial cohesion with EU institutions, across disciplines and with local and regional actors in the coming years with the aim of achieving a common understanding on the key European and transnational territorial challenges and promoting a coherent approach to the development of the EU territory.

3.3. This includes seeking to ensure, that priorities for the future territorial cohesion, as identified at the meeting (in particular, with regard to the urban dimension, the incorporation of territorial specificities and the transnational dimension of territorial cooperation), are translated into the new Cohesion Policy in both, the EU and the Member States position documents in accordance with the national context.
3.4. They invited the coming EU Presidencies to organise activities on key aspects of territorial cohesion. They asked all Member States, Candidate Countries, the Commission, the European Parliament and the Committee of the Regions to participate in this dialogue, which could also promote better EU territorial governance by strengthening the awareness of the territorial dimension of EU policies and by promoting policy coherence and cooperation.

3.5. They highlighted the importance of the proposals for European Territorial Cooperation, and stressed the need for a flexible strategic approach incorporating different facets of territorial co-operation. They called for an incorporation and appropriate balance across the three strands between:

- the development and application of innovative and integrated spatial development approaches
- the exchange and dissemination of best practices on common issues.
- consideration of trans-European structuring elements of the EU territory including strategic projects,

They underlined the need for spatial strategies at all levels to reflect the territorial dimension of the Lisbon/Gothenburg aims. They emphasised the importance of extending territorial development cooperation beyond the new external borders of the EU under the European Neighbourhood and Partnership Instrument.

3.6. Pending the new policy context after 2006, the Ministers again asked the Commission to ensure that there is adequate opportunity to discuss strategic and integrated territorial matters under the existing comitology. The Commission is also asked to develop ideas in cooperation with the Member States on how to deal with territorial cohesion with regard to provisions made in the constitution adopted by the Council.

3.7. The current Troika and the incoming EU Presidencies, namely the Netherlands, Luxembourg, the United Kingdom, Austria, Finland and Germany agreed to take forward the Rotterdam agenda also on the political level in close collaboration with all Member States, in consultation with the Commission and in dialogue with the European Parliament and the Committee of the Regions and Candidate Countries.

In particular they will facilitate the development of the synthesis report “The territorial state and perspectives of the European Union” with the aim of adopting it at a ministerial event under the German EU presidency.

The United Kingdom will take forward work on the synthesis report during its presidency. It is also planning an Informal Ministerial Meeting on urban policy and sustainable communities. While the focus of this meeting will be firmly on urban policy, the UK will consider links to the work on territorial cohesion in the light of these Presidency conclusions.

Austria will consider holding a seminar (with reference to 3.2. above) on the experiences made on the preparation of National Strategic Reference Frameworks and on the potential of territorial coordination.

Finland will consider organising a high level meeting on the further elaboration of the report with regard to its finalisation under the German presidency.

Germany will facilitate the discussion and adoption of the synthesis report based on the inputs prepared with reference to the priorities defined in the scoping document.

The Ministers expressed support for the coming presidencies and valued the continuing participation of all Member States in the process.
Common Understanding on Orientations of an ESPON 2

At the EU informal ministerial meeting on territorial cohesion in Rotterdam on 29 November 2004 the Ministers “recognised the important role of the European Spatial Planning Observation Network ESPON in enabling a coherent approach to the development of the EU territory. They considered the continual observation of European territorial trends and developments using European networking as a highly important instrument to support territorial development and cohesion policy. They agreed to work with the Commission towards an agreement under the Luxembourg Presidency, defining the key priorities and a sustainable institutional framework for territorial observation and research networking after 2006.” (Point 3.4. of the Dutch Presidency Conclusions).

In view of the ongoing negotiations on the new Structural Funds regulations and financial perspectives, the Ministers note that it is too early to work on an agreement with the Commission on the future of ESPON under the Luxembourg presidency. However, they wish to express their “Common Understanding on Orientations of an ESPON 2” in this document in order to express common support for a continuation of ESPON activities after 2006 with the aim of high quality applied research related to territorial cohesion and development as well as policy analysis based on an efficient and well-functioning network.

This document builds on experiences and lessons learned from ESPON 2006, formulated in the appreciation of the ESPON Monitoring Committee agreed on 1 March 2005. The analysis of the thematic content and research needs, institutional setting and management issues provides a solid foundation for the definition of key priorities and for an institutional framework for territorial observation and research networking after 2006.

In particular, this document acknowledges that

- Substantial progress has been made within a short time period in providing new knowledge on territorial dynamics and imbalances within Europe, which has been reflected in the policy relevant documents at the EU level and in the national context.
- A substantial European scientific networking capacity in the field of territorial development has already been achieved.
- The current financial resources for the implementation and coordination of the ESPON 2006 programme are very limited.

This document endorses the view that

- The final results from the ESPON 2006 programme should be considered a first step in demonstrating that ESPON research findings have a significant potential to assist policy makers and practitioners.
- The increasing recognition of the objective of territorial cohesion underlines a need for continued strategic efforts to enhance knowledge and research capacity as well as analytical tools in the field of European territorial development.
This document highlights, in particular, the following points which should be considered in developing proposals for a future ESPON programme:

- Further deepening and enlargement of the scope of indicator work and applied research on European territorial development and policy impact analysis by developing the European knowledge base and with reference to political priorities.
- Implementation of an applied research programme needs specific resources for scientific guidance and quality control.
- Networking as a key element in building a common European understanding of territorial dynamics and imbalances, which requires a strengthened network of national contact points and/or other institutions, which may open the possibility of deepening thematic issues, and which should consider the inclusion of further neighbouring countries in the East and South.
- Communication, reporting and presentation of key findings in order to support the dialogue with policy makers in territorial development, between sector policies and with practitioners at different administrative levels from the EU via national to the regional level. The translation of summary documents should be considered in the light of the financial resources available.
- The ability of EUROSTAT and the respective national statistical agencies to provide European wide statistical support of regionalised data to an ESPON 2 in order to build consistent set of European territorial core indicators.
- An efficient structure to support the management and control and a financial management regime within the future Structural Funds framework that can ensure appropriate administrative arrangements for the tasks carried out within an ESPON 2.
- With regard to the issues addressed and the current discussions on the financial review should be mentioned that higher ambitions for the programme may need increased resources.

This document supports the offer made by Luxembourg to continue in a responsible role for an ESPON 2 in close cooperation with all participating countries, the European Parliament and the European Commission in order to ensure continuity.

The Common Understanding promotes the document prepared by the ESPON Monitoring Committee on orientations for an ESPON 2 programme. The document by the Monitoring Committee delivers a useful summary and discussion of Member States' experiences to date. The list of suggested tasks and the organisation for a future ESPON will have to be prioritised once the size of the budget and the legal provisions have been agreed. Furthermore, the Common Understanding includes the proposal to the Commission to consider the views of the Monitoring Committee when elaborating its proposal to the Council on an ESPON 2 programme set up within the Structural Funds framework.