



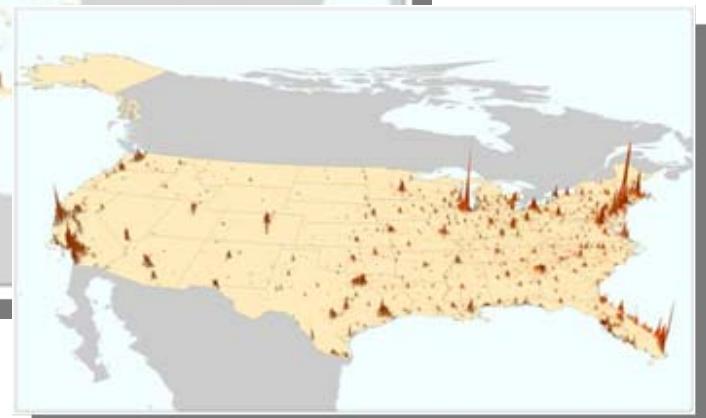
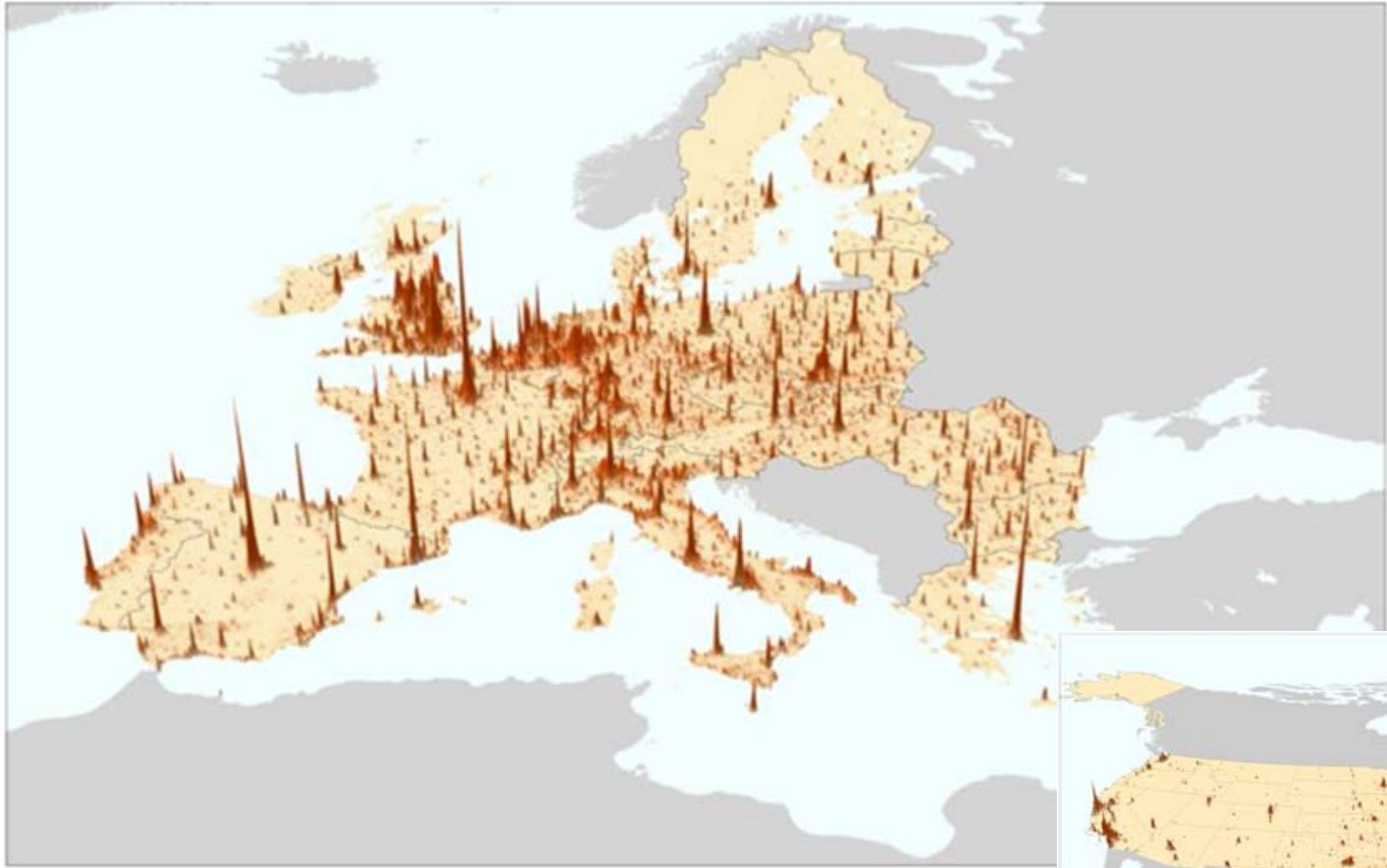
The urban dimension of current and future EU Cohesion Policy

Patrick Amblard, Head of Unit - Poland, DG REGIO, European Commission
Warsaw, 18 May 2011



Why cities matter in EU Cohesion Policy?

- **Europe is highly urbanized** and the majority of Europeans live in cities (73%)
- **Cities are engines of economic growth, jobs creation and main producers of knowledge and innovation** (*>1 mln inhabitants, generate 25% more GDP than EU average and 40% higher GDP than home national average*)
- **Play vital role in development of European regions**
- **Cities are key to reaching the Lisbon and Europe 2020 goals:** social, economic and territorial cohesion





Opportunities vis-à-vis needs and challenges

- **The exceptional possibilities for economic development, social inclusion, and well being** are confronted with...
-**existing pockets of deprivation** (social exclusion, poverty and crime) **and internal disparities** often larger than regional or national average
-**inner-city decay and urban sprawl** exacerbated by weak urban-planning mechanism
-**high out-migration or** inflow of new comers
-challenges and pressures related to **road congestion, air and noise pollution**
-**specific challenges in the new Member States**

...but HOW? ...policy response to diverse challenges in EU cities

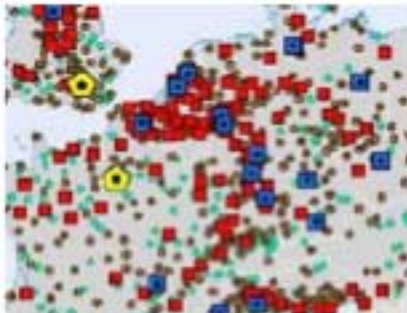
Although no legal basis for urban policy in the EU treaties, EU long tradition of being active in urban development field - recognizing strong need for urban dimension in EU policies

- *European sustainable strategies (Goeteborg strategy 2001, reviewed SDS June 2006) and EU Territorial Agenda (May 2007, Leipzig)*
- *Leipzig Charter on Sustainable European Cities (May 2007)*
- **EU Cohesion Policy at the heart of territorial cohesion agenda and sustainable urban development policies**



...translated into common European objectives

- Keeping and developing **balanced territorial organization** based on polycentric urban structures and **strengthening the links to the surrounding territory** (territorial cohesion)
- **Strengthening economic prosperity and employment** in towns and cities
- Using and **fostering the cities' potential for economic growth and job creation at regional, national and EU level** – Improving the cities' attractiveness for investment
- Achieving environmentally **sustainable urban systems** (“green cities”) and promoting the “Compact City”
- Promoting **good urban governance and local empowerment**





...translated into common European objectives

- Promoting **equality, social inclusion and regeneration in urban areas** while combating social exclusion and economic deprivation within cities (Social and economic cohesion)
- **Enhancing networking and mutual learning** between cities (Co-operation)
- **Valorizing cultural heritage** and strengthening historic town centers (“The European City”)
- **Greener and socially more inclusive Europe** (Europe 2020)...



Milestones in Cohesion Policy support for urban development

Starting points: “Innovative actions” and Community Initiatives

- 1989-1994 Urban Pilot-Projects Phase I
- 1994-1999 URBAN Community Initiative
- 1997-1999 Urban Pilot-Projects Phase II
- 2000-2006 URBAN II Community Initiative

- **Limited scope (about 200 participating cities), initial focus on inner-city disparities, disadvantaged neighborhoods and social inclusion**
- **Common “methodology”: Integrated (cross-sectoral) urban development – URBAN Acquis**
- **Community Strategic Guidelines for Growth and Jobs 2007-2013 (October 2006) - Urban mainstreaming in 2007-2013 including JESSICA**
- **Regions for Economic Change Initiative (Fast Track Label for urban networks)**
- **URBACT II Programme**

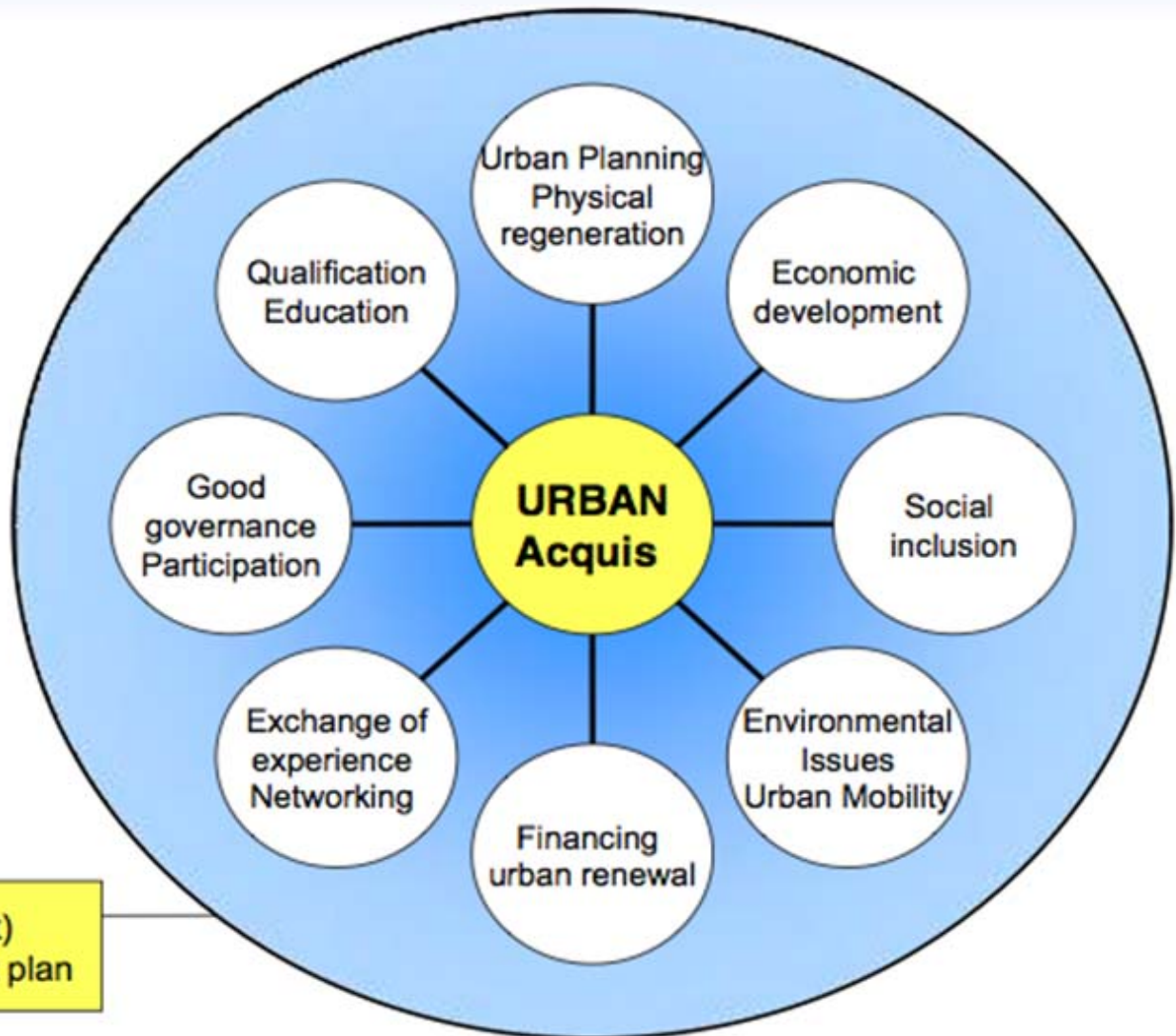


Methodology is there ...URBAN Acquis

- **The integrated and cross-sector approach** (*move away from individual sectors towards wider integration within local/regional economy*)
- **Good urban governance, administration and management** (*shift from government to governance*)
- **Increased local responsibility and strong horizontal partnerships** (*focus on empowering the inhabitants of cities and specific neighborhoods*)
- **Concentration of funding on selected target areas** (*shift from universal policies to more focused, areas based policies*)
- **Networking, benchmarking and exchange of knowledge and know-how** (*growing attention paid to effectiveness of policies*)



The concept of integrated urban development (URBAN)





...widely acknowledged by the Member States

Leipzig Charter on Sustainable European Cities (May 2007)

- Making greater use of **integrated urban development policy approach and good urban governance**

(securing high quality public spaces, modernizing infrastructure networks, improving energy efficiency, proactive innovation and educational policies)

- **Special attention paid to deprived neighborhoods** within the context of the city as a whole

(upgrading physical environment, strengthening local economy and labor market policy, proactive education and training policies for children and young people, efficient and affordable urban transport linking neighborhoods to the city and region as a whole)



Urban planning...*has evolved from technical discipline towards meeting the needs of the cities and people*

- **City-wide vision that goes beyond each project, embedded in regional strategy context** (*analysis of target areas, strategy building, defining long and medium-term objectives, priorities, measures and projects*)
- **Integrated approach as an added value** (*strong “horizontal”, cross-sectoral coordination of urban regeneration measures and physical urban renewal covering local economic development, business and employment, education, training and qualification, social inclusion, culture, environmental measures, urban mobility and high-quality public spaces, strong “vertical” coordination at all relevant levels, coherence with European, national and regional objectives*)



...to make things done with lasting effects

- **Long term financial strategy right from the start** (financing and investing with long lasting impact, concentration of resources and funding on selected target areas)
- **Creating strong local and regional partnerships** (increased involvement of citizens, local and regional stakeholders, incl. private sector, shared responsibilities, implementation bodies), new instruments of urban governance, administration and management
- **Capitalizing on knowledge, exchanging experience and know-how** (benchmarking, networking)
- **Monitoring the progress** (ex-ante, mid-term and ex-post evaluations, set of criteria and indicators)



and Cohesion Policy 2007-2013 embraces it all...

- The policy is vital for **overcoming development disparities and for fostering the competitiveness** and employability of its territories
- **Takes particular account of the fact that urban areas are motors of economic change** and key element of European regional development
(mainstreaming urban development into Operational Programmes, Community Initiative becomes part of the funding “mainstream”: Integrated urban development under Article 8 of the ERDF regulation)
- Offers **broad range of financial tools and measures** that provide national, regional and local actors with incentives for innovation and progress in the field of urban development and good urban governance

and Cohesion Policy 2007-2013 embraces it all...

- Provisions include **involvement of cities, local authorities, and citizens** in the preparation, implementation, monitoring and evaluation of the Operational Programmes (*EU funding administered by the Managing Authorities requires well-developed cooperation at all levels, Monitoring Committees, public consultations*)
- **Opportunities of sharing responsibilities, strategic planning and programming, also strong concentration of funding on strategic urban target areas** (*increased ownership, required urban development plans*)
- **Integrated approach** and **partnership principle** as horizontal principles
- **Capacity building programmes** for new MS (e.g. URBACT, technical assistance)



...with financing sustainable urban development

- **Mainstreaming** – specific provisions on sustainable urban development in Operational Programmes backed up by stable 7-years financial framework
- **Making private capital work for the cities** (e.g. JESSICA, PPP)
- **Clever financing - flexible and efficient** (revolving funds as the way of increasing leverage effect and make public urban investments smarter)
- **Four J's**
- **Combining funding programmes**



Specific challenges in the New Member States

Collapse of former political system resulted in:

- Cities “**inherited**” **post military and industrial sites** also former state properties
- **Structural problems** due to collapsed leading industries and business activities in the cities
- **Shrinking cities** due to high out-migration
- Local administration confronted with completely **new challenges** requiring active engagement with population that did not get used to taking some degree of responsibility in urban policy fields under previous political system



Specific challenges in the New Member States

- Sever economic restructuring: loss of employment opportunities, **heavy burden on public resources and support**
- **Limited financial and investment capacity**
- **Urgent need for investment** in industrial areas (brown field sites regeneration), housing stock, physical, technical and social infrastructure
- **No access to former URBAN initiatives**, thus lack of long years experience on sustainable urban development as in old MS, strong need for administrative capacity and know-how building process



...Urban development in Poland and Cohesion Policy – opportunities...but homework first

- **Strong need for sound and long-term urban strategies/plans** based on functional urban areas concept and responding to opportunities created by modern financial tools like JESSICA
- **Well prepared urban projects pipeline** (based on sound urban strategies) that would foster crucial stage of implementation, avoid further delays and risk of no-spending or missing development opportunities within (e.g. within JESSICA)
- **Strong partnerships between local and regional authorities** to make urban development strategies embedded within wider regional/national strategy context
- **Untapped JESSICA potential for increasing financing and investment capacity of the Polish towns and cities** (only 4 regions involved so far)



Lessons learnt from URBAN initiatives

- **Integrated urban development works as an approach**
Different “sectoral” measures combined in a small area maximize the impact (no “single projects”), suitable in- and outside deprived neighborhoods
- **Relatively small financial incentives lead to a “leverage effect”**
Mobilization of private and further public investment, good value for money
- **The active involvement of local communities is absolutely necessary**
Self-sustaining projects, high visibility of the Union
- **Networking and exchange of experience brings additional value**



Integrated urban development 2007-2013

- **Importance of urban development for EU investment has been increased** in other funding areas
- **Around 10% of the ERDF budget is allocated for urban development** but:
trends towards sectoral operations , little involvement of cities in programming and implementation , lack of local involvement, weakened integrated approach in many MS, less participatory, less visible
- **JESSICA instrument offers a suitable framework for integrated urban development** triggering off ..
deeper discussion on content and activities, clearer definition of target areas, more direct involvement of city administrations, chance for regions and cities to create sustainable and efficient financing system for urban investments by re-use of EU funding



Future European urban territorial development

European cities of tomorrow

- Places of advanced social progress
- Platforms for democracy, cultural dialogue and diversity
- Places of green, ecological or environmental regeneration
- Places of attraction and engines of economic growth



Future European urban territorial development

Characterised by:

- balanced economic growth
- balanced territorial organisation
- polycentric urban structure
- good accessibility to services of general economic interest
- compact settlement structure with limited urban sprawl
- high level of protection and quality of the environment



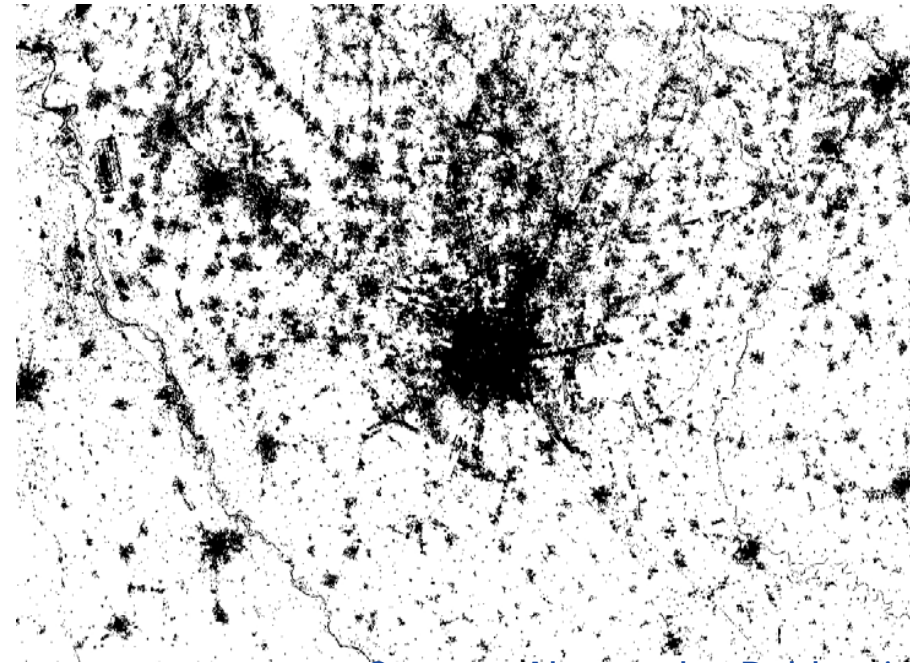
Core challenges

How to

- counter social/spatial **segregation/polarisation**?
- foster **social inclusion & economic integration**?
- ensure **economic transitions**?
- manage and adapt to **demographic changes**?
- stimulate **job creation & skills**?
- achieve a **sustainable mobility**?
- achieve greater **energy efficiency**?
- manage **natural resources**?
- ensure **territorial cohesion & coherence**?
- foster cities' **attractiveness**?
- ensure **financial sustainability**?

Integrated approach to challenges

- The challenges for the cities of tomorrow are not problems to be solved but *opportunities to be exploited*
- Challenges *cannot be addressed individually*; their interrelations and contradictions need to be properly understood
- Challenges do not respect administrative borders – they need to be *formulated to concur with* our overall objective of *sustainable territorial development* with *liveable cities* all across Europe



Source: Alessandro Balducci

= > **Governance is *the* key challenge**



HOW to improve for the future?

Key aspects

- **Strengthening of the partnership principle** (better involvement of local and regional actors, social partners, civil society)
- **Better focus on functional areas**
- „Renaissance" of **integrated urban development** (URBAN method)
- **Territorial co-operation**



HOW to improve for the future?

- **Overcoming the difficulties of the mainstreaming approach** while keeping its advantages (access to mainstream funding, Jessica)
- **Stronger emphasis on integrated urban development and regeneration, following the URBAN method**
- **Involvement of cities in programming, improved dialogue**
- **Improved access to mainstream funding**
- **Increase leverage** through wider use of financial instruments
- **Networking and capacity building**



1. Actions for integrated urban development and regeneration

- **Integrated urban actions in line with Europe 2020 investment priorities**
- **Focus on urban areas suffering from multiple deprivation**
 - geographical concentration on selected target areas
- **Applying the “URBAN method”**
 - participative, community-led process (local devt. approach)
 - indicator-based selection of cities, listed in PICs (Member States select, COM provides guidance)
 - local empowerment and responsibilities within cohesion policy: sub-delegation and global grants



1. Actions for integrated urban development and regeneration

- **Financial concentration and incentives**

- concentration of funds: e.g. minimum population per target areas (e.g. 20,000 inhabitants) or/and minimum per capita investment (e.g. €500/inhabitant)
- close coordination with ESF
- possible incentives for applying an integrated approach for disadvantaged communities

- **Technical Assistance available for implementing bodies**

- **Networking component** (platform)



2. Stronger involvement of cities in programming, improved urban policy dialogue

- **Involvement of cities**
 - programme design process
 - participation in monitoring committees
- **Better access to mainstream funding**
 - cohesion policy framework with strong thematic concentration
- **European dialogue on cities and urban development**
 - Strategy for the future of European cities
 - City Summits



3. Financial instruments

- **Wider use of revolving funds**
- **Focus on integrated urban development** remains
(Integrated Urban Development Plans)

4. Networking for cities

- **Capacity building** and expertise for cities which implement integrated urban development actions
- **Thematic networking** for all cities (currently URBACT)
- **Stronger Commission involvement**



Urban dimension in post 2013 Cohesion Policy - state of play

The conclusions of the 5th cohesion report:

- *Underline the importance of developing a more consistent and more ambitious European urban agenda*
- *Recommend that "financial resources are identified more clearly to address urban issues and urban authorities would play a stronger role in designing and implementing urban development strategies. Urban action, the related resources and the cities concerned should be clearly identified in the programming documents."*



Urban dimension in post 2013 Cohesion Policy – *...from concept to proposed actions*

- **EC proposal presented in the high-level group (December 2010) embraces following elements:**
 - *Urban contribution to EUROPE 2020 and possible urban thematic priorities*
 - *Improved governance and delivery approach for urban matters within mainstream OPs, including special actions for deprived urban neighborhoods, role of the cities in design and implementation, networking activities for cities*
 - *The role of non-grant financial instruments for urban development*



Time line

- May 2011 synthesis of results of public consultation (5th cohesion report)
- June 2011 financial framework
- July/Sept 2011 draft regulations for cohesion policy
- Sep 2011 7th progress report on economic and social cohesion (links between cohesion policy and Europe 2020).
- By end 2011 draft Community Strategic Framework