



Sustainable and integrated urban development: what role for the EU?

Lessons learned and future prospects

Delft, 18/02/2020

Regional
and urban
Policy

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European urban policies

Number and **intensity of urban challenges** to be more become more pressing (sustainable and resilient development)

'Future of Cities' report, 2019
<https://ec.europa.eu/jrc/en/publication/eur-scientific-and-technical-research-reports/future-cities>

Important role of cities, need to scale up **cooperation**, seek **new solutions**, **share knowledge**, provide for bottom-up **evidence-based policy making**

Integrated approach, **improved governance**, coordination and cooperation is necessary

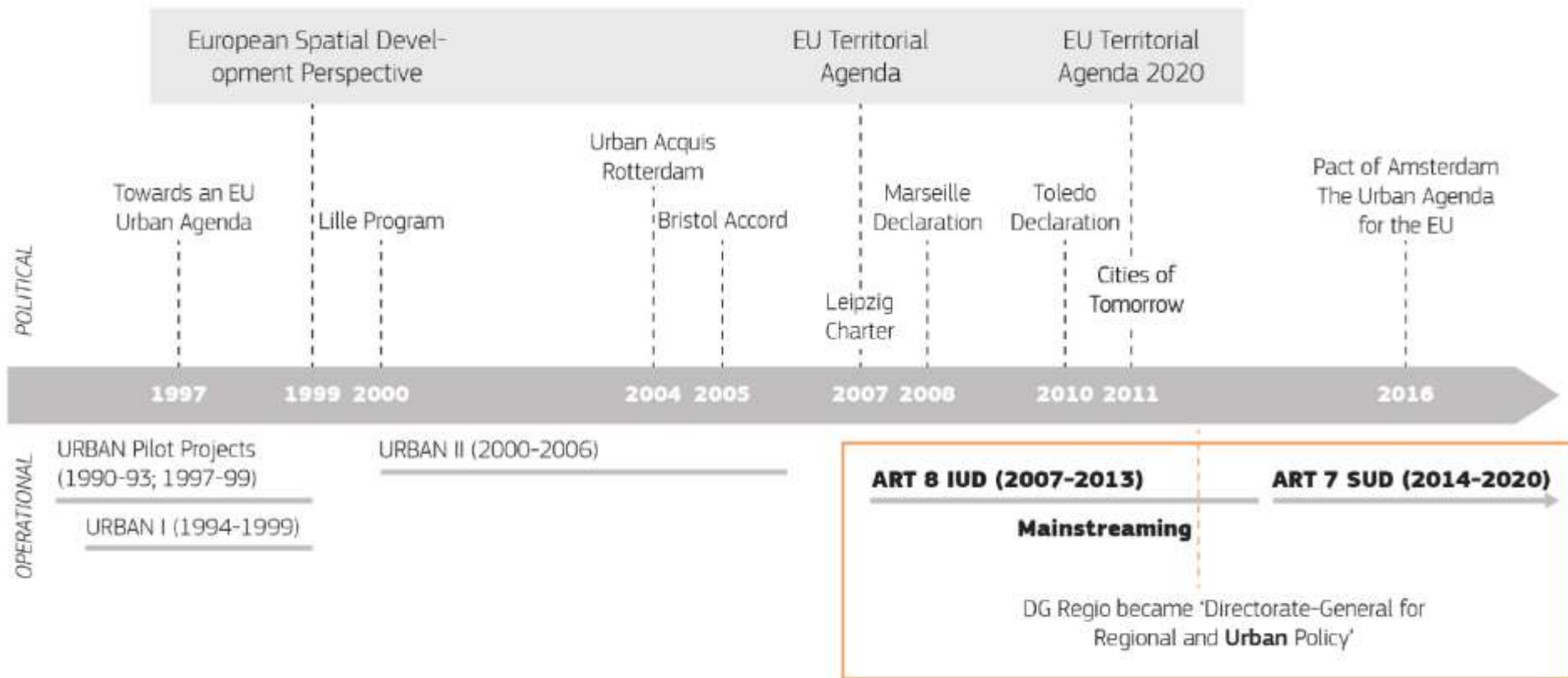
Wide but fragmented support to urban development



Why cities are important?

- The EU is becoming more urban: population, GDP, employment
- Centres of innovation, education and knowledge
- More resource efficient (land take, clean urban transport)
- Often struggle to provide good quality of life (air pollution, affordable housing)
- Urban governments are considered to be closer to citizens, which brings important responsibilities (level of trust, public services, public engagement)

The evolution of urban dimension of EU policies



Source: Fioretti, C et. al., 2020

Urban Agenda For The EU

OBJECTIVES

- Identify and tackle urban challenges
- Strengthen the urban dimension of policies
- Involve cities in the design and implementation of policies

GOVERNANCE

- Work in partnership – multi-level governance
- EU, member states, cities, city associations, stakeholders

OUTPUT

- Action plans
- Actions fall under three objectives: better regulation, better funding, better knowledge

14 PRIORITY THEMES

AMSTERDAM PARTNERSHIPS



URBAN
POVERTY



INCLUSION OF
MIGRANTS' REFUGEES



AIR
QUALITY



HOUSING

BRATISLAVA PARTNERSHIPS



DIGITAL
TRANSITION



URBAN
MOBILITY



JOBS' SKILLS IN
THE LOCAL ECONOMY



CIRCULAR
ECONOMY

MALTA PARTNERSHIPS



SUSTAINABLE
USE OF LAND



CLIMATE
ADAPTATION



PUBLIC
PROCUREMENT



ENERGY
TRANSITION

VIENNA PARTNERSHIPS



CULTURE/CULTURAL
HERITAGE



SECURITY IN
PUBLIC SPACES

Renewal of Leipzig Charter in 2020

Reviewing the principles for sustainable urban development

Green, Just and Productive Cities

- Integrated approach
- Place based approach
- Multi-level governance
- Participation and co-creation



Sustainable urban development in 2014-2020 (ERDF Art. 7)

Integrated approach, long term strategic planning, multi-level governance

Urban areas develop and implement integrated, sustainable urban development strategies cutting through sectorial, territorial and governance boundaries.

Local needs and local empowerment

Urban areas have direct responsibility in the implementation of the programs (at least project selection). The MA can delegate further tasks.

Action oriented: dedicated funding and territorial tools

At least 5% of the national ERDF allocation must be allocated for integrated and sustainable urban development strategies, using one of the territorial tools: ITI, dedicated priority axis, or dedicated OP to urban strategy.

Cohesion Policy urban investments in 2014-2020

2014-2020 period: 351.8 billion EUR (ERDF 196 billion EUR)

A significant share of CP investments **115 billion EUR** is **invested in urban areas**

Sustainable and integrated urban development (Art 7, min 5% ERDF)

- 15,6 billion ERDF (~8%) decided by urban authorities
- Through more than 900 integrated urban development strategies
- ESF contributing with additional 1,5 billion EUR

What is an ITI?

Integrated Territorial Investment (ITI):

- a voluntary programming instrument to implement integrated **urban or any other territorial strategies**.
- allows for combining different thematic objectives and **funding from at least two priority axes** of one or more OPs.

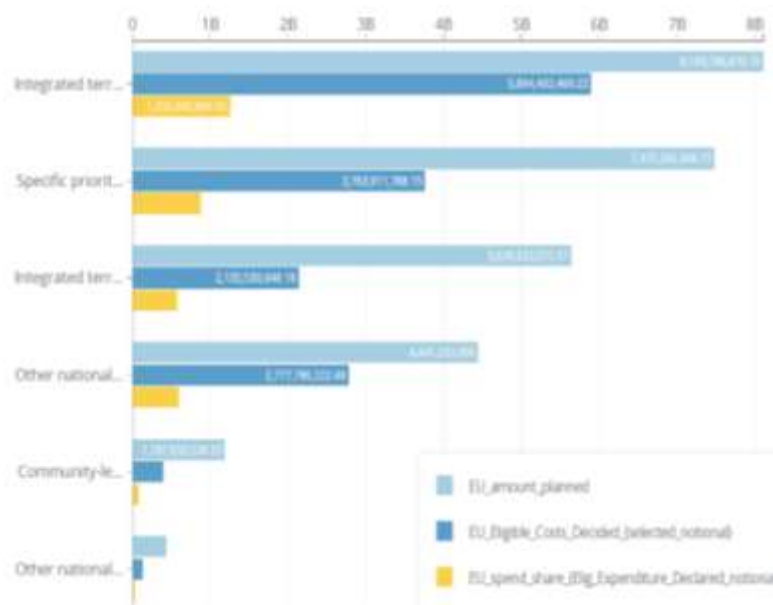
What is CLLD?

Community-led Local Development (CLLD):

- a **single tool for local initiatives** for all ESI fund.
- Building on the **LEADER** method of rural development, experiences of the fisheries local action groups, as well as the earlier **URBAN** and **EQUAL** Community Initiatives in Cohesion Policy:
 - Focusing at the local level (subregional areas)
 - Led by local action group (no majority of any interest group)
 - Integrated multi-sectoral local strategies
 - Shall include innovative features and cooperation (social innovation)

Current state of play: ESIF Open Data Platform

Up-to-date financial implementation figures



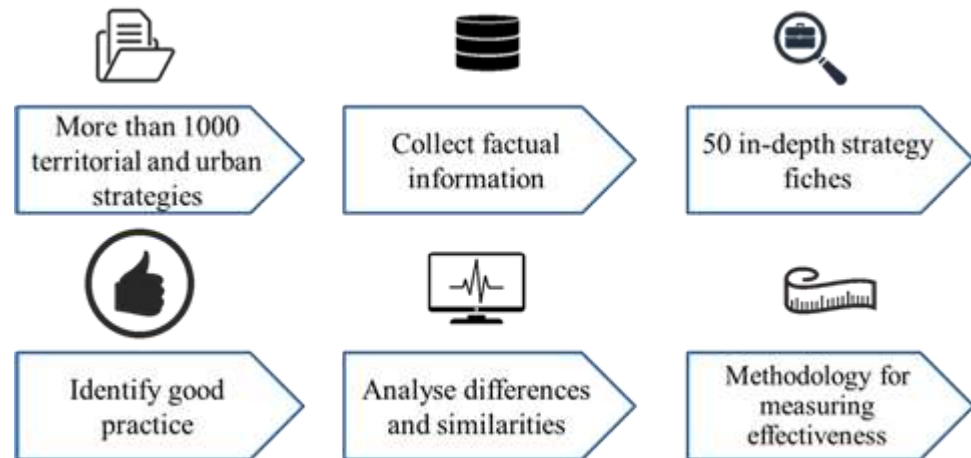
- EUR 10,7 billion ESIF allocated to selected projects (62% of the planned SUD allocation)
- EUR 2,2 billion (14%) spent.
- Slower start due to the novelty of the integrated approach and complexity of challenges, but implementation is catching up
- Implementation is easier when embedded in an existing policy and institutional framework.

Available online at:

<https://cohesiondata.ec.europa.eu/stories/s/How-does-Cohesion-Policy-support-cities-and-local-rgzr-e44d>

Sustainable and integrated urban development Strategies

- REGIO study (Van der Zwet et. al., 2017) – *"Integrated territorial and urban strategies: how are ESIF adding value in 2014- 2020"*
- Objectives: Collect and analyse EU supported integrated territorial and urban development strategies, assess the different monitoring approaches



URBADEV: REGIO-JRC collaboration

- STRAT-Board online mapping tool
- 1679 integrated strategies, 964 for sustainable urban development (Art. 7)
- Strategy and country fact-sheets
- Integrated with Urban Data Platform and ESIF Open Data Portal
- Open data and information source, analytical features

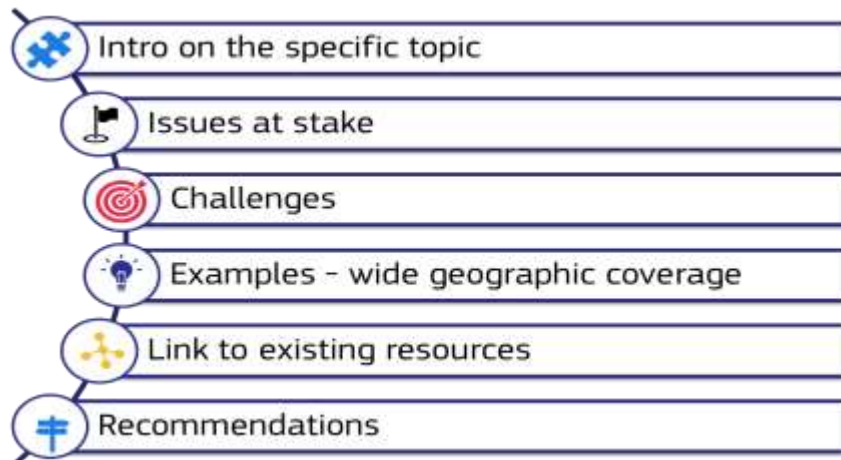


More information:

<https://urban.jrc.ec.europa.eu/strat-board/#/where>

Handbook of Sustainable Urban Development Strategies

- A **handbook for policy learning** on the place-based, integrated and strategic approach to urban development in 2014-2020
- **Main targets:** Local Authorities, Managing Authorities
- **6 building blocks:** strategic dimension, territorial focus, governance, cross-sectoral integration, funding and finance, monitoring
- It focuses on **key challenges**, and tackle them through examples, link to online resources, recommendations



Available online:

<https://urban.jrc.ec.europa.eu/#/en/urbanstrategies>

Six aspects of sustainable urban development strategies

- ✓ **Strategic dimension:** *strategy as a collective transformative roadmap towards a future situation.*
- ✓ **Territorial focus:** *matching challenges and opportunities with type of territories and appropriate scale.*
- ✓ **Governance:** *multilevel governance, involvement of local authorities, stakeholders and citizens.*
- ✓ **Cross-sectoral integration:** *need to overcome the silos structure in the delivery of the strategy and their related projects.*
- ✓ **Funding & finance:** *Integration of sources of funding.*
- ✓ **Monitoring:** *setting up efficient indicators & monitoring systems to measure performance.*

1. Strategic dimension

Addressing the strategic dimension:

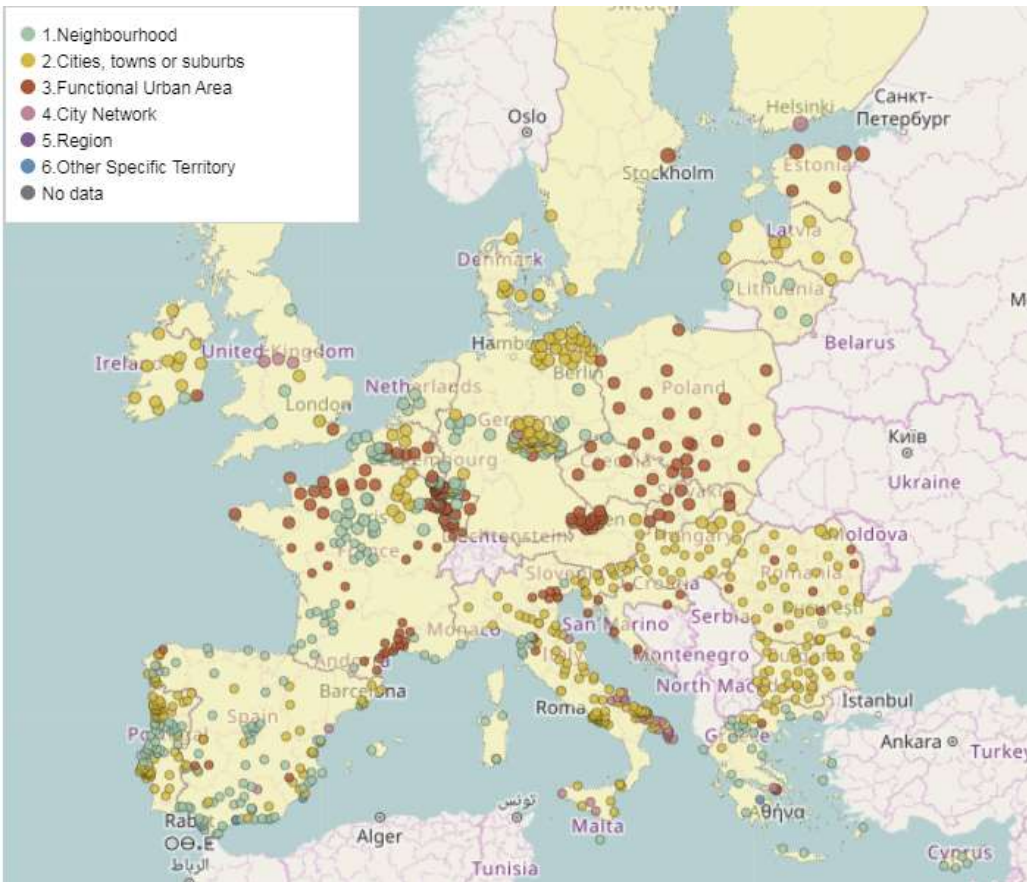
- link up with the current understanding of strategic planning, which has moved from the idea of fixed plans and solutions toward an **adaptive process involving the management of change**
- set the "**urban**" within the "**regional**", under a common place-based approach to policy
- consider both **process** (methods and protocols) and **content** (themes)
- connect **development trajectories**, policy goals and policy mix
- investigate **synergies with other strategic agendas**

Examples - Strategic dimension

Cork (IE) has developed a more robust system for priority setting so that projects are in line with both the SUD strategy and the OP.

Debrecen (HU) has built its strategy on previous planning and delivery experience developed in 2007-2013, moving fast from design to operationalisation.

Six City Strategy (FI) combines regional innovation strategies (S3) with broader urban development objectives.



2. Territorial focus

- Many different type of urban area targeted: city, neighbourhood, functional urban area
- 20% of the strategies, and 51% of the funds are targeting functional urban areas
- Functional area approach especially with the ITI tool and in EU-13 countries
- Stronger neighbourhood focus in EU-15 member states

Examples - Territorial focus

Berlin (DE) has built an overarching framework for neighbourhood regeneration strategies establishing 5 action areas with "flexible" perimeters.

Brno (CZ) has developed an evidence-based method in collaboration with the local university to delimitate the functional urban area for the ITI.

Göteborg (SE) the SUD strategy targets tailored thematic action arranged along a value chain logic to promote integration, e.g. local food innovation strategy

3. Governance

Governance of the key aspects of sustainable urban development, whereas **good governance** arrangements **contribute to more transparent, inclusive, responsive, and effective decision-making.**

The governance of Sustainable Urban Development (SUD) strategies refers to **how the relevant actors decide to plan, finance, and manage the specific strategy.**

- **Multi-level governance**
- **Multi-stakeholder approach**
- **Bottom-up and participatory approach**

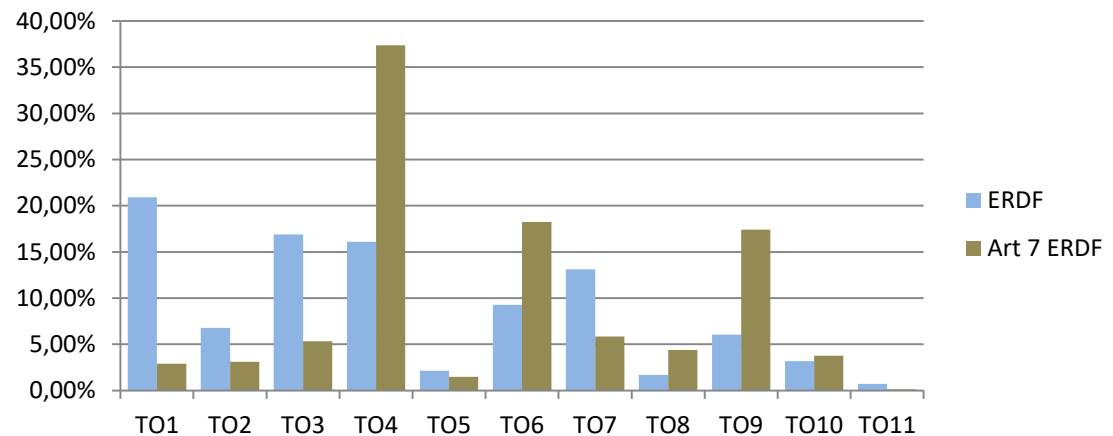
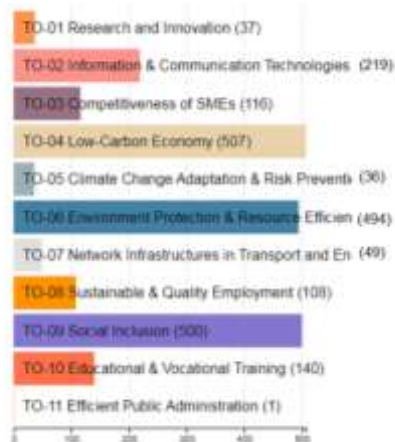
Examples - Governance

Walbrzych (PL) showed a pro-active approach, becoming the only Polish ITI body with full implementing responsibilities. This allowed them to employ and train more people, hire employees with EU experience.

Scheveningen (NL) CLLD was successfully used to engage an otherwise 'hard to engage' community. Especially group mediators (volunteers) proved effective in this respect

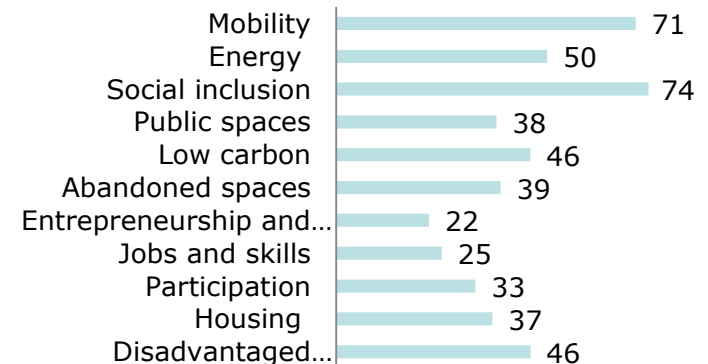
Zagreb (HR) has ensured effective cooperation among many stakeholders by the establishment of a Partnership Council comprised of all administrative levels, universities, educational providers, social partners, business, and civil society

4. Cross-sectoral integration



Most used TOs: TO4, TO6 and TO9
27% of strategies integrates 4 TOs

Most used key words:
mobility, energy, social
inclusion
16% uses 10 different
keywords



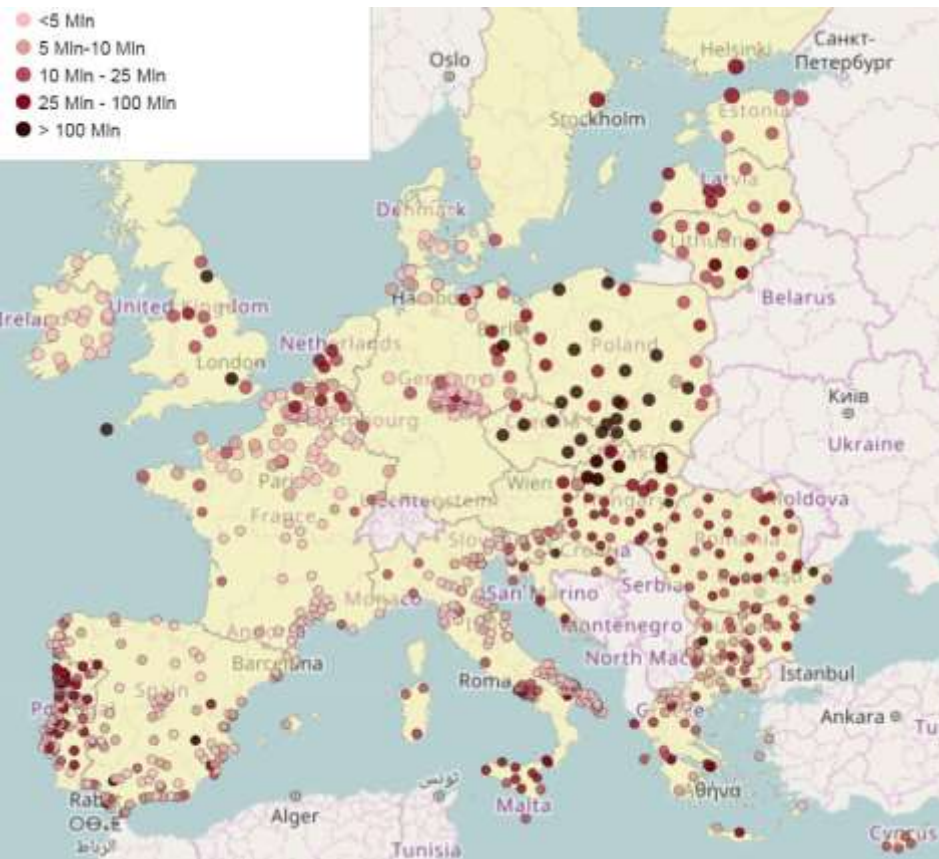
Examples - Cross-sectoral integration

Tuscany (IT) Regional Operative Programme is the result of an experienced managing structure and of a process of co-design of Programme's priorities. Manager in charge of vertical integration (with beneficiaries) and horizontal one (with sectors)

Labem-Chomutov (CZ) the ITI tool is used to blend funding from seven EU programmes and three different funds, although the themes were defines more in top-down than bottom-up.

Ghent (BE) uses a large array of measures to ensure an integrated approach. They restructured the administration in 10 departments, plus transversal urban managers and an Urban development company.

5. Funding and finance



- 40% of strategies commit less than 5 million euros of EU contribution.
- strategies with larger ESIF budgets are located in EU13 MS, target FUAs and uses ITI
- 16% of urban strategies integrate more than one fund
- 13% drew from two funds, including ESF, while only 2,6% (26 cases) drew from more than three different funds
- In the majority of cases the ITI is used to put together more than 2 funds

Examples – Funding and finance

Politique de la Ville (FR) it is implemented by means of the City Contracts. The convergence of the calendars between the City Contracts and the adoption of the OPs allows to combine with it the ERDF and the ESF, for the benefit of priority neighborhoods

Athens (EL) The Integrated Urban Development Plan of Athens guide the 'Athens 2020' investment programme (approx 190 million euro). It combines resources of the ITI (ERDF+ESF), together with others: 55 million via an European Investments Bank loan, 20 million from other municipal sources and 12 million came from private sources.

6. Monitoring

Monitoring requirements apply across ESIF. In the case of SUD an effective monitoring produces some specific benefits:

- **It provides Managing Authorities (MAs) and Intermediate Bodies (IBs) with timely information on progress**
- **It supports the data needs of SUD evaluation**
- **It strengthens transparency and legitimacy**

At the same time there are specific challenges:

- in setting up a monitoring framework for strategies,
- in measuring soft and processual results
- in aligning it to different levels of objectives

Examples - Monitoring

Maribor (SI) SUD has several predefined sets of indicators in the strategy, organised under five different headings. Every project is advised to define additional indicators at the project level

A Coruña (ES) has developed SUD indicator system as an innovative and coherent instrument that takes into account indicators from several policy levels: (i) Global: UN Agenda 2030, UN Habitat, (ii) European: Eurostat, (iii) National: the Spanish Urban Agenda

Rotterdam (NL) uses the Social index that specifically analyses neighbourhoods' social qualities, collecting and aggregating data on four dimensions: Personal abilities, Living environment, Participation, Bonding.

Lessons learned so far in 2014-2020

Recognition for the integrated approach and the role of cities

- More than 1000 integrated strategies are supported, around 10% (EUR 32 billion) of Cohesion Policy funds
- Increased focus on sustainable urban development (8%, way more than 5%), but a rather fragmented urban dimension and initiatives

Need for simplification

- Lower implementation rate (62% project selection rate, end of 2018) irrespective to the applied territorial delivery mechanism (ITI, multi-thematic priority axis).
- Novelty of integrated approaches and complexity of challenges can explain the delays sometimes, but complicated implementation systems can be streamlined.

More thematic flexibility

- Thematic focus were often limiting and set before the selection of local strategies without considering the actual development needs and potentials

Challenges in multi-level and participatory governance

- Delegation of project selection (IB) was too burdensome, while the actual role and responsibilities of cities and territories remained unclear.
- Partnership principle should be strengthened when preparing and implementing programmes and strategies. Use of CLLD remained limited in Cohesion Policy.

Functional area approach and urban-rural linkages

- Functional area approach was promoted successfully, but difficulties in identifying the exact territorial and thematic focus of integrated strategies.

Proposed legal framework for 2021-2027

Common Provisions Regulation (CPR)

- Policy objectives (Art. 4)
- Tools and requirements for integrated territorial development (Art. 22-28)
 - ITI
 - CLLD
 - Other MS territorial tools

Fund-specific Regulations (ERDF/CF, ETC, ESF+, EMFF)

- Scope
- Specific objectives
- Thematic concentration and other fund-specific focus areas (e.g. urban earmarking for ERDF)

CAP Second Pillar (EAFRD)

- CPR territorial chapter is applicable
- Common set of rules for CLLD (LEADER)
- Overall similar rules retained

Policy objectives

11 objectives simplified and consolidated to 5:

1. **A smarter Europe** (innovative & smart economic transformation)
2. **A greener, low-carbon Europe** (including energy transition, the circular economy, climate adaptation and risk management)
3. **A more connected Europe** (mobility and ICT connectivity)
4. **A more social Europe** (the European Pillar of Social Rights)
5. **A Europe closer to citizens** (sustainable and integrated development of urban, rural and coastal areas and local initiatives)

Horizontal issues:

- Partnership
- Administrative capacity building
- Co-operation between regions and across borders (embeds co-operation in mainstream)

Territorial development and sustainable urban development

- New, **cross-cutting policy objective** for the integrated and sustainable development of cities and other territories (PO5 – Europe closer to citizens)
- Territorial tools: integrated territorial investment (ITI), CLLD, other tools (under PO5)
- **Requirements: integrated local/territorial development strategies and involvement of relevant urban/territorial bodies** – local empowerment
- Min **6% of ERDF to sustainable urban development**, in line with min. requirements
- **European Urban Initiative:** more coherent approach in capacity building, innovative actions, knowledge and policy development and communication.

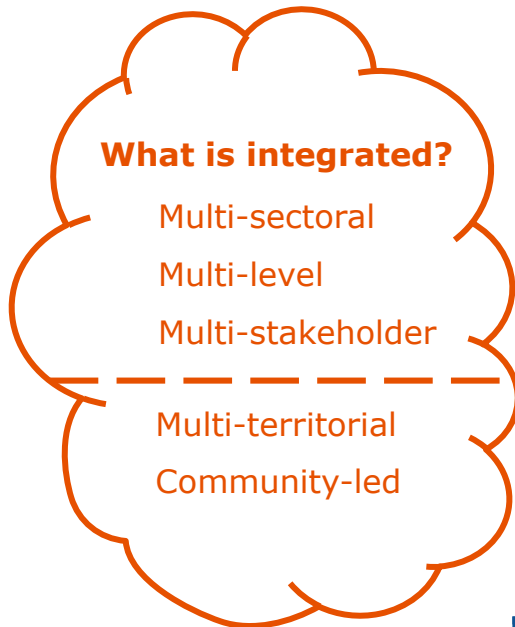
Integrated Territorial Development 2021-2027

Shared management

(Partnership + Multi-level governance)



COHESION POLICY



What is Integrated Territorial Development? (Art. 22)

Territorial tools

- ITI
- CLLD
- Other

Integrated	Place-based
Macroregional strategies	Transnational/cross-border
Partnership Agreement	National
Programmes	Regional/national
Territorial strategies (Art. 23)	Functional (<i>Functional urban area</i>)
Local strategies (Art. 26)	Subregional (<i>Metropolitan region</i>)
	Local admin (<i>City/town/suburb</i>)
	Community (<i>Urb. neighbourhood</i>)

SUD 6% 32



PO5: New policy objective

Foster economic, social, and environmental sustainability and resilience in all places.

Urban context:

- to benefit from agglomeration economies and positive spill-overs towards the wider functional urban areas and rural areas close to cities
- to address negative effects of concentration (traffic congestion, pollution, urban sprawl, affordable housing, poverty etc)

Other territories:

- to build on the potentials and specific assets of remote rural areas and local communities (beyond compensatory measures)
- to overcome the negative effects of low density and peripherality (access to jobs and services, pooling resources)

Minimum requirements for 2021-2027

Key requirements to operationalise Cohesion Policy support to Integrated Territorial Development (CPR Art 23 for all territorial strategies, and Art 25-28 for CLLD local strategies)

- Interventions linked to **territorial or local strategies** drawn up by local or territorial bodies
- Definition of the **targeted area** according to needs (must be urban for 6%)
- Locally coordinated interventions through an **integrated approach** (cross-sectoral, multi-territorial or multi-stakeholder)
- Relevant **local or territorial bodies involved** in project selection
- **Partnership with relevant actors** to be ensured at local level

The territorial tools in 2021-2027

Support from the Funds to be provided for integrated territorial and local development in forms of:

- **ITI:** Necessary when territorial strategy receives funding from multiple priorities or even programmes, funds or POs (CPR Art 24)
- **CLLD:** Specific delivery method to enhance the participatory approach, (CPR Art 25-28)
- **Other territorial tool:** recognises nationally developed tools for territorial strategies (CPR Art 22(c))

Sustainable Urban Development in 2021-2027

(new ERDF/CF Art. 9)

Integrated territorial development targeting **urban areas**, to more effectively tackle the economic, environmental, climate, demographic and social challenges affecting urban areas, including functional urban areas

- All investments under PO5 specific objective 1 (per definition for strategies targeting urban areas)
- All investments under PO1-4 when territorial tools target urban areas

**Minimum 6% of ERDF
at national level**

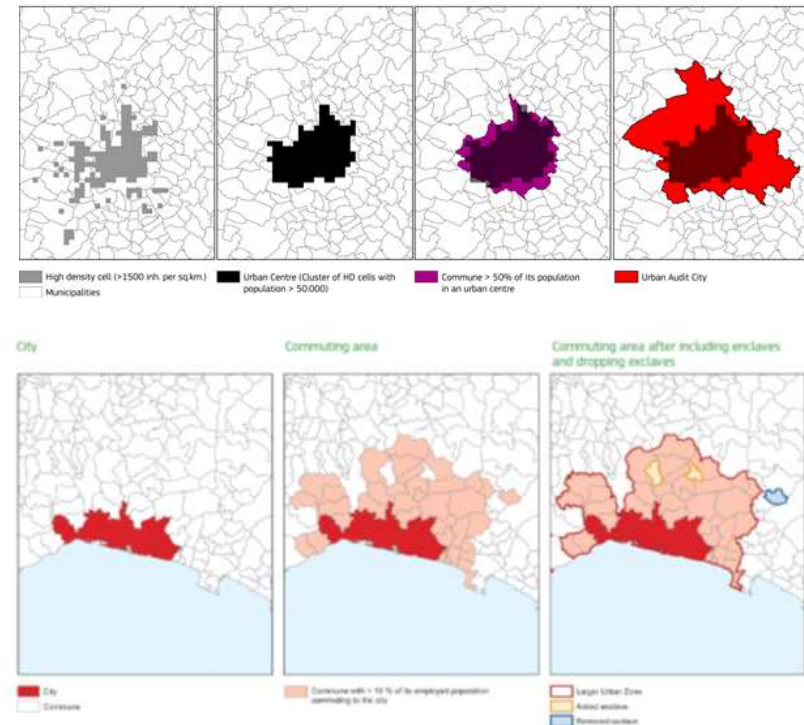


Aligned with the tools and minimum requirements for integrated territorial development!

Territorial focus: urban areas (new CPR Annex 1)

Interventions targeting:

- **Urban neighbourhood**
- Administrative unit of a **City, Town or Suburb**
- **Functional urban area** (It can also cover all actions to promote **urban-rural linkages**)





Cohesion Policy programming time line

- 
- ✓ Commission is prepared for the 2021-2027 programming exercise more than half a year earlier than for the 2014-2020 period
 - May 2018: **MFF and regulatory proposals published**
 - February 2019: Semester **country reports and Annex D** published
 - Spring 2019: **Launch events to kick off programming** in Member States
 - Summer 2019: MS submitted their road maps for programming
 - ✓ Indicative calendar for programming 2021-2027:
 - 2019: **Informal dialogue** between Commission and Member States
 - 2020 1st half: Mature **drafts of programming documents** submitted
 - 2020 2nd half: Formal submission of programming documents ready for adoption

Mapping local development needs, update strategies, preparing project pipelines

Thank you for your attention!

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