

Brussels, 23 July 2003

SUMMARY MINUTES OF THE MEETING OF 17 JULY 2003

ON THE URBAN DIMENSION OF FUTURE COHESION POLICY

The session, chaired by Mr Michel Barnier, Commissioner responsible for Regional Policy, brought together representatives of regional and city associations as well as experts on urban policies and the Structural Funds.

The Commissioner introduced the meeting with some reminders on the debate on the future of Cohesion Policy:

The timetable

- On the basis of reports from various working groups chaired by Commissioners, the Commission will adopt the political and financial prospects for the next programming period in the autumn, at the same time as the 3rd Cohesion Report.
- the decisions on the new cohesion policy and its budget should be taken at the end of 2005, to allow for preparing the programmes in 2006.

The points of view present

- Range from the maintenance and modernisation of Cohesion Policy to reducing its budget or even eliminating it but maintaining aid for the countries lagging in development.

This is therefore a genuine debate, where the value added of Cohesion Policy must in each case be demonstrated.

The debate which followed turned around four points:

- Lessons from current programmes.
- Future priorities for intervention.
- The added value of Community intervention in urban matters
- Strategy and implementation methods where urban questions are concerned.

1. Lessons from current programmes.

The URBAN Community Initiative URBAN amply fulfils its innovative and demonstrative remit:

- an innovative method, especially the integrated approach (blending economic, social and environmental actions) and partnership.

- Impact disproportionate to its budget (lever effect).
- A political effect, especially on forms of urban governance: partnership with institutions and with civil society around projects decided and implemented locally.
- A learning cycle, diffusing the culture and know-how of urban regeneration.
- High visibility of Community interventions - not just Regional Policy but also other Community interventions.
- A direct link between cities and the Commission, making cities major players in Community policies.
- Simplicity coming from the mono-fund approach.

But URBAN also has its limitations:

- It is too modest in terms of funding and population covered, considering the challenges cities face. Its interventions are too limited in space and time.
- Both in regulation and in practice, its scope does not extend to some topics of importance for urban regeneration such as housing and the city-wide transport network.
- Certain participants questioned the legitimacy of the Community intervention for disparities within cities, on grounds of subsidiarity.
- The different circumstances faced by urban areas across Europe mitigate against a single approach.

The "mainstream" regional programmes, in particular Objective 2, include an important urban dimension:

- In programmes whose main features are urban, they cover similar topics to URBAN but with significantly greater resources.
- They enable towns to access horizontal measures, for example technological innovation, the environment, energy efficiency, etc. These have a strong impact on urban areas.

On the other hand, they are not very suitable for tackling local issues, especially the fight against exclusion, because decisions are taken too far from the grass roots and are difficult to mesh with local actions. In most cases, cities are not associated in the management.

2. Future priorities for intervention:

Community urban interventions should in future:

- Link competitiveness and cohesion, while avoiding putting cities in direct competition and ensuring that development is not to the detriment of the

surrounding region but rather has positive spill-overs. In this context, investments in the city should favour "bridge-building" projects which open the city to the surrounding region.

- Link approaches based on need with those based on opportunity. This implies dealing with problems at the appropriate scale, that of the agglomeration, which incorporates both areas facing problems and those where potential solutions can be found.
- Should social cohesion in cities be a Community priority? In the context of subsidiarity, shouldn't it rather be a matter of redistributing resources at the local level? The Treaties give no definitive answer to this recurrent question. Numerous Community policies, without aiming explicitly at cities, have a direct impact on them; for example immigration policy has a direct effect on those who follow employment opportunities and therefore settle in cities.
- It would be advisable not to limit Community intervention to remedial measures but to prevent problems by proactive risk analysis. Since the drawing up of the current guidelines, certain trends in the cities have continued and these should be taken into account in future programming. Examples include urban sprawl, the ageing population, the pressure of immigration, etc.
- Some flexibility is necessary, so that priorities can be chosen according to the scale and gravity of the problems, for example through a "menu" approach.
- The solutions to urban problems partly lie in sectoral policies which should therefore be modulated from the regional to the local level. For example, employment policy is a regional issue, but actions are local, involving institutional partnership and the private sector.
- Co-operation and the exchange of experience between cities should continue and be developed. More generally, all programmes which promote learning among programme actors should be encouraged.

3. The added value of Community intervention in urban matters.

The following arguments were put forward by participants justifying Community intervention to help cities:

- The majority of Community policies have an impact on cities. The European Union has therefore been intervening for a long time cities without explicitly analysing the question of the added value of such an intervention. Numerous effects generated or amplified by European integration have a strong impact on cities; this should justify a Community effort to offset any harmful effects.
- It is now largely admitted that territorial cohesion is an integral part of economic and social cohesion and therefore justifies Community intervention.
- The field in which Community added value is most easily demonstrable is that of cooperation and the exchange of experience between European cities. Participants at the meeting noted this with approval.

- Major international organisations such as the UN (habitat agenda) or the World Bank (urban management programme) have an urban policy. It is therefore inconceivable that the European Union, which has a direct link to the grassroots level, should not have one too.
- The European project is built first in the cities, the cradle of democracy. In particular, in the new Member States, Community interventions in the cities will have an indirect effect of consolidating the democratic process.
- Cities are where the vast majority of the Europeans live, where most of the concerning their daily life are taken and are motors for development both of the city itself and the region in which it is located.
- It is in cities that the EU is most visible to its citizens; this should not be neglected as long as the European project suffers from a knowledge and recognition deficit on the part of European citizens.

4. Strategy and implementation method where urban questions are concerned.

- "Mainstreaming" in the context of the European Structural Funds means taking innovative steps from small programmes such as the URBAN Community Initiative and generalising and rationalising them within the major regional programmes. This is the sense we will give to views expressed among the meeting participants for integration of urban actions into the regional programmes of Regional Policy.
- a majority opinion was in favour of "mainstreaming" future urban actions under certain conditions:
 - Not losing sight of the urban agenda and the URBAN method (in particular the integrated approach and partnership).
 - Ringfencing funds for urban actions and urban areas, for example in the form of global grants managed by the cities.
 - Making the cities responsible for the management of the part of the programmes which concerns them. Who takes the lead should depend on the subject covered and the competences of the relevant institutions. Following this to its logically conclusion, the idea was expressed that regional programmes with predominantly urban characteristics could be managed by the regional capital city or by a consortium of cities.
 - Not limiting "mainstreaming" of urban actions to Regional Policy programmes but extending it to other Community policies exerting a determining influence on the future of cities, such as transport policy.
- However, several participants would like to see a programme like the URBAN Community Initiative maintained on a complementary basis for "soft" actions, notably:
 - The cities of the new Member States.

- Certain specific topics which constitute new or increased challenges for the cities, such as the pressure of immigration.
- Urban actions in the "mainstream" would be incorporated into the regional development strategy and cascaded down from the regional to the local level. The choice of the intervention topics should fall to local authorities according to local realities and local strategies.
- Interventions should not favour the large cities but take into account the problems of small and medium-sized cities which often have greater needs and often play the same role as their larger cousins in the development of their region.
- Co-operation and the exchange of experience should continue and be intensified, and this should be connected to projects. This involves producing collective reflection on the management of the cities from the experience gained in running concrete projects on the ground.