

URBAN II Evaluation

Case Study: Le Havre



1.0 Introduction

Le Havre is situated in the north-west of France, on the right bank of the River Seine. In 2001, the Le Havre agglomeration had 190,924 inhabitants, ranking it the 13th largest city in France. Its port however is the biggest in France (in terms of container traffic) and the 7th in Europe¹.

The table below summarises the main economic indicators for Le Havre.

Figure 1.1 Le Havre – beginning of the programming period

Variables	Le Havre	France
Population	190,924	58,520,688
Population density (hab/km ²)	4,066.5	107.6
% unemployed in the total population	13.5	8.9
% inactive in the total population	34.2	30.7
Unemployment rate (%)	20.6	12.9
State of the European Cities:		
GDP growth deviation (real annual GDP growth 1996-2001, percentage point deviation from country average)	-0.7	
GDP per capita index (2001, France = 100)	97	
Old workers employment rate (France = 100)	110	
Share of employment in transport and communication (%)	14.2	
Highly qualified resident (2001, residents qualified at ISCED level 5-6 as a share of population 24 and over)	16.9	
Accessibility index (Multimodal accessibility, index ESPON space = 100)	93	

Source: INSEE local statistics, 1999 and State of the European Cities Report, index = 100 refers to the average of the French Urban Audit cities

According to the typologies established in the in the State of the European Cities Report (2006), Le Havre can be qualified as a gateway city. Despite its achievements, its strong specialisation gives

¹ In terms of container traffic this represents 2 130 000 evp in 2006 (source: Port autonome du Havre).

Le Havre a number of specific challenges: its port activities are becoming increasingly capital-intensive and automated, providing an ever narrower employment structure. Although Le Havre has a distinct industrial 'feel', many of the industrial activities are in petro-chemical areas which are known to be very capital-intensive. This is reflected in lower employment rates and in the higher unemployment rates: 20% in Le Havre in 1999 compared to 13,5% in France¹. Coming from a somewhat 'protected' labour market position, redundant port workers find it difficult to access jobs in other areas. Employees in Le Havre often have a low educational level. In 1999, less than 6% of the population (aged 15 or more) of Le Havre had attained a higher education degree compared to more than 8% in France².

The economic challenges faced by the city are significant. Compared to the French national average, its GDP is lagging behind by more than 3%³ points. This is also reflected at the regional level, where the region of Normandy is growing slower than the national average (1.7% against 1.9% GDP growth). At the level of the department of Seine-Maritime this is equally illustrated through the weaker GDP per capita, compared to the French national average (23,700 euro against 24,500 euro)⁴.

Although its accessibility through land and water has been a major asset in the past, its multimodal accessibility is low compared to other gateway cities (in France and Europe)⁵.

Le Havre is still partly locked into its traditional port functions – and this can block opportunities to diversify and embark on new opportunities that can create new jobs. Moreover, Le Havre is generally not considered as a physically attractive city for tourists, investors or residents alike (the city is generally seen as 'a port with a city'). Apart from having to find new economic drivers, Le Havre's therefore also has a problem with its image.

1.1 Background to the URBAN II Programme

In 2000 the city of Le Havre decided to invest the URBAN II funds in the Southern Districts ("Les Quartiers Sud"), where the old industrial port used to be located. The area is located between the city centre and the (new) port area and is made up of six main districts. The programme area has 17,000 inhabitants, covers an area of 8 sq km and has a population density of 2,125 inhabitants per km². It is the smallest area -in terms of population- of all French URBAN II areas.

The Southern Districts have a history that is closely related to the city's port activities. The urbanisation of the area began in 1875 with the creation of housing facilities for the working population in the proximity of the new industries. However, in the last 30 years, the area has experienced a gradual decline of its traditional industrial activities and the employment related to it.

¹ Unemployment rate 15-64 years, INSEE local statistics.

² Source: INSEE local statistics - local French statistics website (available for 1999 and 2006)

³ Source: State of the European Cities Report, 2001

⁴ Source: Eurostat, 2001

⁵ Multimodal accessibility, index ESPON space = 100

This evolution has led to the unbalanced equilibrium between the urban and economic functions of the area.

The box below summarises the main difficulties encountered in the Southern Districts at the beginning of the programming period.

Socio-economic difficulties in the Southern Districts

- A depreciated labour market situation: Unemployment in the areas was 25% which was above the city average as well as the national programme average of 20%. Long term unemployment represented about 40% of the total unemployment;
- A precarious population: 5.7% of the total population benefited of the RMI¹ (3.2% in the city and 1.9% in France). In the Southern Districts, about one third of the households depend on social benefits (20% in Le Havre).
- Deteriorated urban conditions: lack of green spaces, presence of polluted grounds, enclosed area, cut off from the other neighbourhoods, important number of buildings and economic spaces which are under-valued or not functional, low level of maintenance or replacement of buildings;
- A difficult economic situation: Low investment rates, low level of creation of companies or employment (creation rate of 1.5% if the Southern Districts in 2001 against 2.4% if Le Havre), low number of SMEs, low diversity of the economic activities of the area ;
- A deficient local network with a poor associative network and a relatively passive population.

The area had never been covered by any other national, regional or European (including URBAN I) funding scheme before the URBAN II intervention. Traditionally, public policies in Le Havre were focussed on the Northern Districts which are facing severe social and economic difficulties.

However, the two zones present different characteristics: the Southern Districts are mixed zones, combining housing, economic activities and industrial brownfields, while the Northern Districts show more “classical” French urban difficulties, characterised by big housing complexes.

The rationale behind that choice was to use the rehabilitation of the Southern Districts as a driver of image change for the entire city and to incorporate the Southern Districts in the centre of the city.

In order to tackle the identified challenges, the original CIP URBAN II aimed to spread the funding over the three axis² of the programme. This scheme ensured a proportional allocation of the funding over the social, the economic and physical themes. However, in 2002 it was felt by the programme managers that the CIP strategy had been established without really understanding the issues within the target area, especially in terms of the social measures which were felt to of been largely overestimated.

¹ The RMI is the Minimum Insertion Revenue (“Revenu minimum d’insertion”) granted to persons without revenues of having revenues inferior to the RMI.

² Axis 1: Social cohesion – work – training; Axis 2: Economic Development; Axis 3: Physical environment – improvement of the urban frame.

After the appointment of the current management team (in 2002) and the mid term evaluation, funds were shifted from the first (mainly social) theme to the third axis (physical regeneration). The management team has two main explanations for this shift. First of all, they focussed the programme funds on larger (and more expensive) physical actions, while leaving aside social actions (with uncertain outcomes and with a lower 'financial absorbing' capacity). Second, social actions were extremely complicated to implement considering the lack of local organisations that could support these projects in the field.

The table below shows the new breakdown of funding by domain and compares this to national and EU averages.

Table 1.1 Breakdown of funding by domain

Spending by theme	% URBAN II Programme spending	National Average spending %	EU average spending %
Economic	5.8	17.7	19.4
Social (incorporating Communication Technologies)	19.3	26.1	31.3
Physical (including transport)	70.5	51.7	43.9
Technical Assistance	4.5	4.2	5.2

Source: *Ex-post evaluation of the Cohesion Policy Programmes 2000-2006: The Urban Community Initiative, Country Level Notes from Task 1: France*

As illustrated, approximately 70% of the budget has been dedicated to physical regeneration (of which 60% to the third axis of the programme).

Considering the high levels of physical deprivation in the area, this appears to be a defensible choice for most stakeholders involved. The managing authorities chose a strategy focusing on the rehabilitation of the public space and hard (physical) investments. They argued that these are the ex ante prerequisites to allow for a more integrated development approach later on (with economic, social and environmental actions). Moreover, social cohesion is often targeted by national public policies or other funding schemes such as ESF.

The choice to invest in physical regeneration is in line with the ambition of building a new image for the area in order to increase its attractiveness towards companies and residents. It is argued that the physical reconstruction of the area was a crucial step in the rehabilitation process of the whole city's image.

Overall, the programme financed over 200 actions; significantly above the average number of actions in the other French URBAN II Programmes. One of the main outcomes under the first axis (20% of the total funding) was the realisation of a public media library. The library was built to respond to the local lack of public reading and internet infrastructure. The second axis financed initiatives such as a company incubator, housing 19 companies and 35 workers. The physical interventions include the realisation of an urban park used by citizens from in- and outside the zone and a support measure for improving facades in one of the main streets of the Southern Districts. Those two actions represent the core of the third axis budget and make up 53% of the programme budget.

The main objective of the CIP and of its various actions was to stimulate new investments in the area through the physical and environmental upgrading of the programme area. The strategic approach was aimed at improving the physical appearance and the state of situation of the area. It was hoped that this would have the knock on effect of triggering indirect socio-economic impacts (job creation for example) through attracting higher revenue households in the area. The improvement of the local conditions and the effects this induced are assessed in the next chapter of this report.

2.0 The Impact of the Programme

The programme is characterised by a very high leverage effect as every URBAN II euro invested created more than 10 euros of private investments in return. Physical investments that were realised in the URBAN programme can be considered as successful as they have generated more than 400 million EUR private investments, mainly towards the construction of public and private housing facilities. The new housing facilities have attracted new citizens to the area, which in turn brought about a social mix with the local “more deprived” population coexisting with new inhabitants with higher revenues.

Although the managing authorities and most of the involved actors remain convinced that the physical regeneration measures have led to genuine positive effects in the field, most socio-economic indicators tend to portray negative trends over the period 2000-2007. Of course, it can be argued that physical investments will only rarely lead to direct improvements of socio-economic conditions. However, assuming that the investments made will influence the socio-economic situation indirectly, it is probably too early to get a full grip on the impacts they have been generating in the field. Nonetheless, some indicators are portraying positive signs in recent years (see box below).

The box below summarises the main trends and impacts identified in the area since the beginning of the programming period.

Trends and impacts

- The area is characterised by a general decrease of the number of unemployed¹, however young unemployment is still a key issue (25% of the total unemployed are less than 25 years old). Additionally about 33% of the unemployed are long term unemployed and the local population presents low levels of qualification.
- Slightly less than 20% of the households depend on the minimum revenue (RMI). Over the period 2000-2007, the number of persons benefiting from the RMI remained stable in the URBAN II area but grew with 2% in the city of Le Havre. In the period 2000-2006, the city of Le Havre experienced a drastic increase of the number of RMI beneficiaries younger than 35 (+ 76%). The URBAN II area is characterised by a similar trend (+ 70%).
- Overall, approximately 33% of the households are dependent on social benefits in the URBAN II area (+ 6% over the period 2000-2007 but with a 8.3% decrease between 2006 and 2007) against approximately 20% in Le Havre (+ 12% over the period 2000-2007 but with a 5.5% decrease between 2006 and 2007).
- Positive change of the number of companies settled in the URBAN II area: 21% increase in the URBAN II area over the period 2000-2008 (+ 14% in Le Havre).
- Overall decrease of the number of housing sales over the period 2002-2008 (-6% in the URBAN II area, - 4.5% in Le Havre).
- In 2003, 2004 and 2008 the (upward) price movement for the apartments sold in the URBAN II area exceeded the average evolution in Le Havre.

Source: Execution report 2008 – May 2009

Apart from the tangible realisations in the social sphere, the programme also generated a number of indirect effects, strengthening the vulnerable social fabric in the area. Often the physical regeneration measures have contributed to this. The focus on housing in the area's regeneration strategy has had major impacts on the social fabric in the area. On the one hand, the vulnerable inhabitants of the area were resettled in the new social housing complexes, while on the other hand, new citizens were attracted in by this new (comparatively affordable) housing offer.

The media library built under the first axis illustrates how physical interventions can benefit issues with other spheres of the regeneration agenda.

Multimedia library Léopold Sedar Senghor

A multimedia library was built in the heart of the Southern Districts with the use of URBAN II funding. The following facts were decisive in the implementation of this project: more than one third of the local population has no school degree at all (27% in Le Havre) and is not trained to use ICT. Furthermore, the Southern Districts did not have any public reading facility and presented a scarcity of meeting and gathering places where local actors and inhabitants (especially women)

¹ Data's at the sub-municipality level are not available. The Z.U.S (Sensitive Urban Area) of Eure-Brindeau and Les Neiges that are both included into the Southern Districts experienced an unemployment decrease of respectively 29% and 60% against 24% in the entire city of Le Havre.

could meet. Before the opening of the library (in September 2006), the only reading facility was a “biblios-bus” serving the zone.

This project goes further than the building of a public reading facility. It offers access to new services including ICT and language training as well as multimedia workshops and public reading sessions.

By providing upscale services that are not available in other libraries in the city, the library has become a landmark for the entire city of Le Havre, attracting inhabitants of the Southern Districts and people coming from outside the zone.

After its first year of activity, 2466 active members were registered (December 2007). Within this group of members, roughly 40% live in the Southern Districts. The library has thus attained a double objective: i) bringing the books and services closer to the local population and ii) integrating the Southern districts with the city centre as almost 35% of the readers come from the city centre.

In conclusion, local stakeholders acknowledge that the URBAN II interventions have been the driving force behind the rehabilitation of the area. In 2000, the Southern Districts were forgotten and neglected by most policy makers in the city. Today much more attention and funding is devoted to the area because of URBAN's ability to make people more aware of the needs of the area and the funding from the programme that encouraged stakeholder organisations to 'get round the table'. The fact that the physical appearance of the area is rapidly improving is not only reinforcing the attention devoted to it, but also influencing the mindset of all actors in Le Havre (including the inhabitants) and their belief that the area has broken with its past.

Beyond the private leverage effect and the mixing of populations, it is also worth mentioning that 3 universities decided to settle in the Southern District following the URBAN II intervention: a branch of Sciences Po specialised in the Asian studies, the INSA – an engineering school and the Ecole de la Marine Marchande – the merchant navy school. Furthermore a private hospital and the Chamber of Commerce both decided to settle in the Southern Districts, something which would not have happened if URBAN had not helped change the image of its target area.

3.0 Link with other programmes and policies

Apart from URBAN II other public interventions were launched during the period 2000-2006 targeting the city of Le Havre. The city was for example included in the Objective 2 programme covering the region of Haute Normandie. However the Objective 2 programme did not finance any actions within the URBAN II area¹.

¹Source: CIP Objective 2 Haute-Normandie http://www.haute-normandie.pref.gouv.fr/spip.php?article428&var_recherche=DOCUP%202000%202006%20objectif%20%20haute%20normandie

For the future development of the area, the situation is different. URBAN II drew the attention to the Southern Districts and gave the area new development ambitions. Several funds were mobilised at different government levels (French and European). The Southern Districts are for example included in the “Regional Competitiveness & Employment” programme 2007-2013 with a budget of 27.3 million EUR (7.5 million ERDF + 0.7 million ESF). They are also covered by several national initiatives. Details on these initiatives are found later in Section 7.

4.0 Factor of success

With an import leverage effect and positive reactions from most of the relevant stakeholders, the Le Havre programme can be considered successful overall. The following points have contributed to this and aim at highlighting the main factors of success of this programme.

An enthusiastic and integrated team

The team managing the URBAN II programme in Le Havre has remained the same since 2002. The team is characterised by its multidiscipline set-up meaning that it covered the whole range of actions in the field, improving the integration of the different projects and not being dependant of a specific department within the city administration.

The programme was managed by a core team of 2 people, a Director responsible for the general set-up of the programme and an operating officer providing a link between the field and the administration.

Its enthusiasm and competence is acknowledged by all partners involved including the members of the monitoring committee and the project managers. We believe that the vision developed by the team and its interaction with the different actors was a key success factor for this project.

The coherence of the area and its (geographical) potential

The Southern Districts are an integrated area with a high geographic coherence (small area, geographically limited between the port and the city centre). This coherence facilitated the intervention. Furthermore it offered an important development potential thanks to its geographical location close to the city centre and the industrial brownfields that represent an important rehabilitation potential.

The city as managing authority

Having the city managing the URBAN II programme allowed for a more efficient management of the programme. The proximity of the managing authorities to the area (20 minutes by bike from the city hall) and their good understanding and knowledge of the local issues and challenges has made a real difference. Local partners felt that they could always rely on the management team, as they were very accessible throughout the entire programme.

The use of the European Label / communication

The programme team consciously used the URBAN II and the European Commission label when communicating on its activities. The European “profile” has increased the credibility of the programme and legitimated its actions. Inhabitants sensed that Europe was (finally) taking care of their problems, while local partners were introduced to the ‘European’ way of working (requiring discipline and transparency).

The degrees of freedom granted by URBAN II

Apart from the very binding control and monitoring requirements from the EU, URBAN II was seen as a programme that allowed for flexibility in terms of decision taking. This is especially true when comparing with other French funding schemes that are often aimed at one aspect of urban regeneration (physical or social but rarely both of them combined) and are often steered by higher level authorities. The programme management felt empowered to take decisions, independently from higher level authorities or other city departments.

5.0 Level of an Integrated Approach

We distinguish two levels of integration: i) the micro project-based level and ii) the macro theme-based level.

At the micro level, the city appointed a “Southern District manager”, responsible for the integration of the projects in the field. His role was to actively seek, create and promote interactions and synergies between the different actors in the area (including non-URBAN actors).

At the macro level, the programme is clearly dominated by the physical component. About 60% of the resources were dedicated to the third (physical) axis and one measure (Valoriser avec les habitants leur cadre de vie) represents 54% of the whole URBAN II budget. However the management authorities were conscious that physical actions alone would not be sufficient to generate a sustainable impact in the area. From their coordinating role they identified potential synergies between projects/measures and insisted upon the realisation of these with the local delivery organisations. This approach has led to the establishment of several synergies between actions and projects in the field.

Example 1: the media library mentioned earlier developed various partnerships with actors in the Southern Districts. They collaborated with a child care association to organise library visits and actively encouraged local people from the neighbourhood (including migrants living in the relief centre in front of their entrance) to use the facilities. They also have partnership agreements with all neighbouring schools which again ensured the facility became a key educational resource for local people. These visits were more than ad hoc measures as they generated structural and formal links between all involved parties. Furthermore, the local ICT and training equipments gave the inhabitants the opportunity to train themselves with basic ICT software's.

Example 2: every year the “Southern Districts manager” organises a “fête de quartier” uniting the various local actors and citizens. The first edition was strongly contested by local businesses as these were concerned about the potential negative effects on their sales. Against expectations, after the gathering, the sales had risen for most of the parties concerned. Today several stores collaborate actively with the local manager and appoint local youth as trainees. Today, the “fête de quartier” has become a major event in the neighbourhood, uniting the inhabitants of the districts, but also creating ties with the other inhabitants of the city (from outside the zone).

6.0 Programme management and partnerships

In the CIP URBAN II Le Havre, the city played the role of managing authority. This was a deliberate choice when applying for URBAN II funding. The city intended to “play the game” by being as close as possible to the intervention area. In France, only two cities (Bastia and Le Havre) have been managing authorities whereas the other programmes have been managed at higher level (most of the time, by the Prefecture - representation of the central State in the departments). This choice proved to be successful with all the stakeholders acknowledging that the proximity of the managing authority to the field was a key success factor.

Within the city, the programme was managed by a transversal team covering the whole range of actions in the field. Since 2002, it has developed a strong vision for the Southern Districts. Moreover, the team was able to mobilise a large number of political and social stakeholders behind the programme strategy. This was unmistakably one of the factors explaining the success of the initiative.

URBAN has clearly led to capacity building within the city administration. The URBAN methodology, focusing on evaluation, monitoring, with decentralised management and automatic decommitment has been applied to new public policies within the city including the ANRU (see chapter 7).

7.0 Sustainability and legacy

URBAN II in Le Havre leaves behind a vivid legacy. The programme is continued through other sources of funding, but managed by the same team. Most of the projects are still in place and operational.

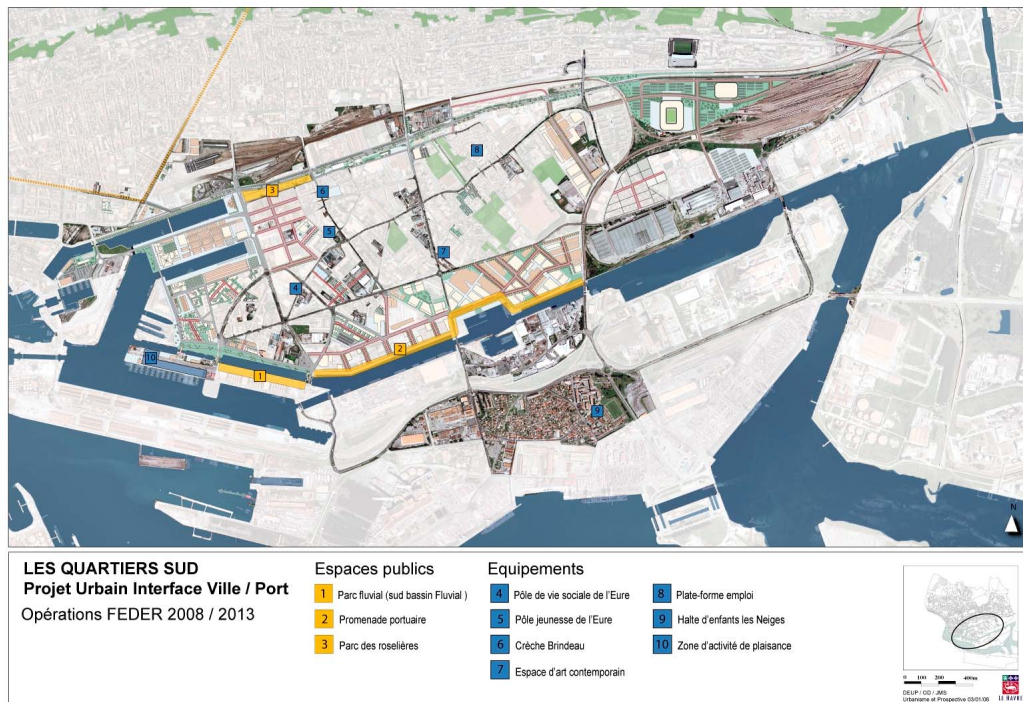
Le Havre (and the Southern Districts) is broadly covered by the “Contrat d’agglomération” (Agglomeration Contract) for a total amount of 136 million euro over the period 2008-2013. This represents an amount of 534 euro per inhabitant. This programme focuses on four axes: i) Radiation and services development, ii) Competitiveness, iii) Quality of life and attractiveness and iv) Improvement of the living and transport conditions. Several projects in this programme take place in the Southern Districts such as the financing of Sciences-Po (already mentioned earlier in this report).

URBAN II actions are continued via two main sources of financing. The first is the National Programme for Urban Reconstruction (ANRU – Agence Nationale de Rénovation Urbain). It pursues two objectives: (i) improve the social housing supply and (ii) adapt the local transport facilities to the new functions of the area. Overall this programme represents 85 million EUR – of which 9 million EUR directly from the ANRU, the remaining part being financed by private partners.

The second funding source is the new EU programme (labelled “URBAN III” internally). It is financed through the urban pillar of the regional “Competitiveness and Employment” programme with a budget of 27,3 million EUR (7,5 million ERDF + 0,7 million ESF).

Those programmes aim at perpetuating the physical actions initiated via URBAN II. The city therefore deliberately chose to focus the funding on the same intervention area. The operations planned under this new programme are detailed in Figure 7.1 below.

Figure 7.1 The continuation of URBAN II in Le Havre



The operations include three purely physical actions (rehabilitation of public areas – in yellow on the picture). However, the programme also plans other social actions such as the building of an employment platform (n°8).

Today, several initiatives/projects developed under URBAN II are still active without European funding. An example of such a project is Le Grenier, a 2nd hand cloth store. After having been subsidised for several years, the store is now 100% autonomous, turning break-even results in most months without necessitating public subsidies.

The continuity of the URBAN II initiatives has been guaranteed by the management team that is still in place. Today the team works on the legacy of the URBAN programme building on the strong programme fundamentals. The team is still identified as the “Southern Districts team” by all involved actors which is of course beneficial for the continuity of the work.

The store benefits from special employment conditions “emploi d’insertion” but does not receive subsidies from the city anymore.