With over 70% of Europeans living in urban areas, cities and metropolitan areas are the motors of economic growth and home to most jobs. They play a key role as centres of innovation and the knowledge economy. At the same time, urban areas are the frontline in the battle for social cohesion and environmental sustainability. The development of disadvantaged urban areas is an important step in unleashing economic powers by creating more cohesive and attractive cities.

Promoting sustainable urban development is a key element of European Cohesion Policy seeking to exploit Europe’s full economic potential. Building on the experience and strengths of the URBAN Community Initiative and the European 'Acquis Urbain', Member States and regions have the possibility to design, program and implement tailor-made, integrated development operations in all European cities.

This brochure takes stock of what has been achieved so far. By reflecting on the key principles of integrated urban development, by giving examples from across the European Union and by sketching a few paths forward, the brochure provides both guidance for the less-experienced and inspiration for the well-experienced.

Inferegio
Consult the Inferegio website for an overview of EU European Regional Policy:
http://ec.europa.eu/regional_policy/
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Cities and metropolitan areas are the motors of economic growth and home to most jobs. They play a key role as centers of innovation and the knowledge economy. At the same time, urban areas are the frontline in the battle for social cohesion and environmental sustainability.

European regions largely profit from the cities’ enormous potentials for increased competitiveness and employment. With over 70% of Europeans living in urban areas, cities are at the heart of Cohesion Policy interventions seeking to exploit Europe’s full economic capacities. To facilitate or to indeed start this process, cities often need support in overcoming existing obstacles to growth. The development of disadvantaged urban areas is often an important step in unleashing economic powers by creating more exclusive and attractive business environments.

Cohesion Policy plays and will continue to play an important role in this complex system. Indeed, the role of city-focused operations and strategies expands in the new 2007-2013 programming period as the urban dimension is now fully integrated into the Cohesion Policy operational programmes. Building on the experience and strengths of the URBAN Community Initiative, Member States and regions have been given the possibility to design, program and implement tailor-made, integrated development operations in all European cities.

Two generations of URBAN Community Initiative programmes have demonstrated the value of this integrated approach in around 200 cities across Europe. Elements such as cross-sectoral coordination of actions, strong horizontal partnerships, increased local responsibilities and the concentration of funding on selected target areas constitute key success factors of the URBAN Community Initiative, and a common European ‘Acquis Urbain’. The current programming period takes up this successful approach, and suggests spreading this methodological concept to cities and regions across Europe. Therefore, it is also at the core of the JESSICA initiative for loan-based operations in cities and the URBACT programme for sharing best practice on integrated urban development.

I am convinced that promoting sustainable urban development is essential at all political levels. Member States and regions, in fact the European Union as a whole, need sustainable and cohesive cities for having a stable and consistent basis for developing future strategies – and for designing policy responses to major economic and social challenges. With this publication the Commission takes stock of what has been achieved so far. By reflecting on the key principles of integrated urban development, by giving examples from across the Union and by sketching a few paths forward, this brochure provides both guidance for the less-experienced and inspiration for the well-experienced. I believe that this publication gives some good reasons for making urban development an important topic in all European regions.

My hope is that this brochure will encourage, inform and inspire those who, like me, believe that cities are vital for Europe’s progress and that Europe is crucial for the cities’ success.

Danuta Hübner
Commissioner for Regional Policy
CHAPTER 1
STRENGTHENED CITIES, GROWING REGIONS
STRENGTHENED CITIES,
GROWING REGIONS

Cities play a vital role for the development of European regions. They are key to increasing the European Union’s worldwide competitiveness. Cities are home to the majority of jobs, firms and higher education institutes and their action is decisive in bringing about social cohesion. They are also the focal point of innovation, entrepreneurship and economic growth, areas in which the EU has ambitious objectives. Where cities and neighbourhoods are strong, the regions around them show stronger growth and are more competitive.

Since 2005, the renewed Lisbon Strategy for Growth and Jobs has made a strong contribution to Europe’s economic growth\(^1\). In the context of Cohesion Policy, this means for example that between 2007 and 2013 certain proportions of the Policy’s €347.41 billion budget (35.7% of the total EU budget) will be earmarked for investments that boost economic growth in the EU’s Member States, regions, towns and cities\(^1\).

European cities are key to reaching the Lisbon goals, since they act as the motors for regional growth, innovation and employment creation\(^5\). It is crucial that towns and cities of all sizes become or remain attractive, both to residents and businesses. This is important not only for big agglomerations and global nodes, but also for small and medium-sized towns, since their health is often crucial for the well-being of their regions. Their capacity to innovate and create new economic opportunities is a prerequisite to ensuring that these regions do not lose out in global competition. Furthermore, strong regional economies, driven by competitive cities, are better able to afford social inclusion and to maintain and protect the physical and natural environment.

In times of economic crisis, cities must use their innovative and integrative potential to play a proactive role. Indeed, difficult circumstances might even open up opportunities for them to introduce structural reforms and accelerate the necessary adaptation to changing economic and social realities, which – under normal conditions – would be more difficult to achieve.

All over Europe, cities are a nexus for needs and opportunities. They offer exceptional possibilities for economic development, social inclusion and well-being, and they have unique cultural and architectural sites. At the same time, pockets of deprivation (social exclusion, poverty and crime) still persist. The disparities within cities are often much larger than the regional or national average performance might indicate.

As economic development can only be sustainable when it is accompanied by measures designed to reduce poverty, social exclusion and environmental problems, the integrated approach not only encourages growth and jobs throughout Europe, but also pursues social and environmental objectives\(^6\).

The dynamics of cities in Europe\(^1\)

- Currently over 70% of Europeans live in urban areas. Most of the EU’s population, just over 60%, live in medium-sized cities with more than 50,000 inhabitants. There are around 6,000 towns or cities with over 5,000 people and almost 1,000 cities with over 50,000 people in the EU, in which economic, social and cultural activity is concentrated. However, only 7% of the EU-27 population live in metropolises of over five million (against 25% in the US)\(^2\).
- Cities are engines of economic growth for Europe: those with more than one million inhabitants generate 25% more Gross Domestic Product (GDP) than the EU average, as well as a 40% higher GDP than their home nation’s national average. In virtually all EU Member States, urban areas are the chief producers of knowledge and innovation.
- Because they concentrate economic added value, urban areas are the chief producers of knowledge and innovation. As drivers of competitiveness, cities are the platforms of technological innovation and multinational activities, ranging from primary research at universities to cutting-edge research for high-tech businesses.
- The service sector is the most important source of employment in European urban economies. For example, in London, Paris, Berlin, Madrid and Rome the service sector accounts for between 80% and 90% of total employment.
The benefits of economic growth should be extended to the poorest and most vulnerable in society. Social cohesion, and tackling poverty, joblessness and social alienation are all important EU priorities. The less-favoured social groups include not just the poor and the long-term unemployed, but also immigrants, ethnic minorities and young people in deprived areas. Inclusion in the labour market and affordable access to basic services are therefore specific goals for EU Structural Funds. Towns and cities play a decisive role in bringing about social cohesion. This is particularly true for cities that are exposed to problems of social exclusion and social inequalities between different groups of people.

Moreover, politicians of all nationalities and political parties recognise the importance of urban issues. Successive presidencies of the EU have recognised urban issues, particularly at the Informal Ministerial Meetings on Urban Development in Lille in 2000, in Rotterdam in November 2004, in Bristol in December 2005, in Leipzig in May 2007 and in Marseille in November 2008. These were occasions when Ministers from around the EU forged a new culture of cooperation on urban affairs with the European Commission, the European Parliament, the Committee of the Regions and other European Institutions. On the strength of this cooperation, they committed to supporting the development of strong European cities and regions, bringing about social cohesion.

The diversity across and within European cities – some facts and figures

- The patterns of ‘urban population change’ in European cities are complex and very diverse. In the period from 1996-2001, a third of cities grew at a rate in excess of 0.2% per year; a third saw their populations remain stable (rates of population changing between -0.2 and 0.2%), and a third experienced a notable decline in population.

- Highly qualified people are over-represented in cities, as are those with very low-level skills and qualifications. Cities offer exceptional possibilities for economic development, social inclusion and well-being and have unique cultural and architectural sites. At the same time, pockets of multiple deprivation (i.e. social exclusion, poverty and crime) are still apparent. The disparities within cities are often much larger than the regional or national average performance may suggest.

- Unemployment rates tend to be higher in cities, although the concentration of jobs in cities is even stronger than that of residents and many of Europe’s main employment centres are within cities. Europe’s largest cities are truly economic powerhouses. However, within cities, between city districts, very large differences in unemployment rates remain visible.

- Together with natural population growth, migration is a crucial determining factor for urban population change. The share of ‘newcomers’ in European cities (i.e. people that have moved to the city in the previous two years) varies widely across Europe. A high proportion of newcomers (5% or more) can be observed in cities in for example Ireland, France, Denmark and Germany.

- Many cities located in the EU face problems related to inner-city decay. This is the result of development during which the historical core of the city gradually lost its traditional role and where both economic activity and many original inhabitants moved towards more outer-lying areas. This trend has led to urban sprawl, exacerbated by weak urban-planning mechanisms.

- Cities throughout the EU are facing pressures and challenges related to road congestion, air and noise pollution. These problems have been aggravated by, amongst other things, the steady growth of many southern European cities in recent years (e.g. Athens, Thessaloniki, Madrid, Barcelona, Lisbon and Porto).
based on new and sustainable strategies. With the ‘Leipzig Charter on Sustainable European Cities’, they recommended:

- making greater use of integrated urban development policy approaches (by creating and ensuring high-quality public spaces, modernising infrastructure networks and improving energy efficiency, proactive innovation and educational policies);
- paying special attention to deprived neighbourhoods within the context of the city as a whole (by pursuing strategies to upgrade the physical environment, strengthen the local economy and local labour market policy, instigate proactive education and training policies, and promote efficient and affordable urban transport).

Building on the experience of previous Community initiatives and programmes to support urban development and regeneration (like the URBAN Community Initiative), this process of creating new development strategies has led to the emergence of a common European ‘Acquis Urbain’.

Cohesion Policy plays, and will continue to play, an important role in this process of supporting the development of Europe’s towns and cities. This role has expanded in the 2007-2013 programming period, as the urban dimension is now fully integrated into programmes and projects that are co-financed by the European Regional Development Fund (ERDF). This has given Member States and regions the possibility to design, programme and implement tailor-made, integrated development operations in all European cities on the basis of the so-called ‘integrated approach’. An approach of this kind combines elements such as cross-sectoral coordination of actions, strong horizontal partnerships, increased local responsibilities and the concentration of funding on selected target areas that form the key elements of this common European ‘Acquis Urbain’.

The integrated approach is in line with the renewed Lisbon Strategy of 2005, which followed the goal of the EU becoming the most competitive and dynamic knowledge-based economy in the world, capable of sustainable economic growth with more and better jobs and progressing towards economic and social cohesion by 2010, through the renewal of Europe’s competitiveness. This approach aims at increasing Europe’s growth potential and its productivity and strengthening social cohesion, building on the Strategy’s three dimensions (economic, social and environmental aspects).

The environmental and sustainability aspects of the integrated approach build on the 2001 European Sustainable Development Strategy (the ‘Göteborg Strategy’). Dealing with multiple aspects of sustainable development, the Strategy proposes measures to tackle threats such as climate change, poverty, social exclusion and the ageing population, as well as issues such as public health and transport. On the basis of a review of the Göteborg Strategy that started in 2004, the European Council adopted the EU Sustainable Development Strategy (SDS) in June 2006. Themes that are crucial to towns and cities are also key priorities under the SDS: climate change and clean energy, sustainable transport, sustainable consumption and production, conservation and management of natural resources, public health, social inclusion, demography and migration as well as global poverty.

**Milestones in Cohesion Policy support for urban development**

Although there is no legal basis for urban policy in the treaties establishing the European Union (EU) and the European Communities (EC), the EU has a long tradition of being active in the field of urban development and regeneration and has taken on a major role in supporting cities and regions in their quest for competitiveness and cohesion. It is widely recognised that there is a strong need to take into account the urban dimension of EU policies and especially of Cohesion Policy. That is because not dealing with urban issues at a European level and the absence of a common understanding of urban development policies at European level, a European ‘Acquis Urbain’, would endanger the achievement of the objectives of the EU’s Lisbon and Sustainable Development Strategies.

Over the last two decades, the EU has produced a number of major political documents, Community initiatives and programmes to support urban regeneration, innovation in urban policy and the exchange of experience and good practice; in addition, the pace and complexity of change has quickened. The initiatives and programmes mainly focus on four political objectives:

- Strengthening economic prosperity and employment in towns and cities;
- Promoting equality, social inclusion and regeneration in urban areas;
- Protecting and improving the urban environment, in order to achieve local and global sustainability;
- Contributing to good urban governance and local empowerment.

“Cohesion Policy plays, and will continue to play, an important role in this process of supporting the development of Europe’s towns and cities”
There have been several key milestones in Cohesion Policy to support urban regeneration and sustainable urban development:

**The Urban Pilot Projects 1989-1999**

The Urban Pilot Projects marked a significant development in urban policy and were designed to pave the way for many far-reaching urban regeneration projects. The Urban Pilot Programme was initiated by the European Commission after various networks, such as the 'Quartiers en Crise' European Regeneration Areas Network, had received funding from the RECITE I Programme to exchange know-how and innovation and develop new European standards in urban policy. During the period 1990 to 1993, a total of 33 Urban Pilot Projects were launched. They were implemented in 11 Member States. Some were sustained beyond the funding period while others acted as catalysts for further regeneration in the target areas concerned.

In July 1997, the Commission approved the Second Phase of the Urban Pilot Programme. Out of the 503 proposals that were received from local authorities, 26 projects from 14 Member States were selected for funding during the period July 1997 to December 1999. They focused mainly on the following topics:

- Economic development in areas with social problems;
- Environmental action linked to economic goals;
- Revitalisation of historic centres;
- Exploitation of the technological assets of cities.

**The URBAN Community Initiative 1994-2006**

Two generations of URBAN Community Initiative programmes have followed the Urban Pilot Programme and they have certainly been the most influential EU measure in creating and disseminating knowledge and innovation in urban development and regeneration. The URBAN Initiative aimed at drawing up and implementing innovative strategies for regeneration in small and medium-sized towns and cities or of run-down urban neighbourhoods in larger cities. In addition, URBAN sought to enhance and exchange knowledge and experience from sustainable urban regeneration and development in the EU.

The URBAN I and II Community Initiatives have put the integrated approach into practice in around 200 cities around Europe. They mainly focused on physical regeneration of deprived urban neighbourhoods, local economic development, environmental issues, mobility and public space, local employment and cultural initiatives.

Between 1994 and 1999, the URBAN I Initiative financed programmes in 118 urban areas with a total of €900 million of Community assistance. Around 3.2 million people lived in the supported areas and projects focused on the rehabilitation of infrastructure, job creation, combating social exclusion and environmental improvements.

Between 2000 and 2006, the URBAN II Initiative continued this effort and commitment to support European cities in their search for the best development and regeneration strategies. A total of €730 million was invested in sustainable economic and social regeneration in 70 urban areas throughout Europe with the support of this Community Initiative.

Resulting in a common European ‘Acquis Urbain’ and URBAN mainstreaming, the URBAN Community Initiatives emphasised a concentration of funding on selected target areas, the increased involvement of citizens and local stakeholders (shared responsibility), as well as a stronger ‘horizontal’ coordination of urban regeneration measures as main elements of an integrated approach towards urban development. This approach is continued in the period 2007-2013.
Urban Pilot Projects and URBAN I and II programmes in the EU-15

- **URBAN I programmes (1994-1999)**
- **URBAN II programmes (2000-2006)**
For the first time in the history of Cohesion Policy, all cities are potential beneficiaries of ERDF funding.

The ‘URBAN mainstreaming’ of 2007-2013
For the programming period 2007-2013, and with the end of the Community Initiatives, the guiding principles of the URBAN Community Initiative were included in the regulatory framework for the Operational Programmes (OPs) of the Convergence and Regional Competitiveness and Employment Objectives (‘mainstreaming’). This important change allows for an integration of different sectoral and thematic policies in all cities throughout Europe in the context of the Lisbon Strategy, the Sustainable Development Strategy and other EU priorities. It means that Member States and regions can continue to apply the successful integrated approach of the URBAN Community Initiatives and invest in towns and cities through ‘mainstream’ Cohesion Policy Programmes. For the first time in the history of Cohesion Policy, all cities are potential beneficiaries of ERDF funding.

By now, European regions and Member States have already developed their Operational Programmes, which provide a basis for the strategic use of EU Structural Funds in 2007-2013. A substantial part of the Operational Programmes include a strong element of sustainable urban development, which builds on experience gained in this field in Europe in recent years. The Operational Programmes financed by the ERDF may also include information on the approach to sustainable urban development, the list of cities chosen for addressing urban issues and the procedures for sub-delegation to urban authorities.

To date, the opportunities offered by the new regulatory framework have been well exploited by regions and Member States and it will be important to capitalise on these opportunities in the coming years. The ERDF Operational Programmes make provision for a great variety of actions, with far-reaching scope, clearly responding to widely varying needs on the ground and the different economic backgrounds and historical contexts of Europe’s cities. More urban operations will be involved in Cohesion Policy projects in 2007-2013 than in previous programming periods. Over half of all ERDF Operational Programmes contain an explicit urban dimension, while around one quarter of all OPs have introduced specific urban priority axes.

In the 2007-2013 ERDF Operational Programmes, three different groups of measures can be identified. The first group aims to promote the regeneration of deprived and disadvantaged urban neighbourhoods (‘URBAN-type actions’). A second group of measures relates to sustainable urban development in various thematic fields: increased competitiveness, innovation, job creation, physical rehabilitation of urban areas and city centres, improvement of urban infrastructures such as transport and waste-water treatment as well as housing in new Member States. The third group aims to promote a more balanced, polycentric development. It seeks to develop networks of cities and to create links between economically strong cities and other urban areas, including small and medium-sized cities. Other actions can relate to metropolitan governance or urban-rural linkages.

In over 300 Operational Programmes of Cohesion Policy that are financed by the ERDF in the period 2007-2013, around 3% of total planned EU investment is clearly earmarked as urban (around €10 billion). In absolute terms, in comparison to regions that fall under the Regional Competitiveness and Employment Objective, almost three times more money will be invested in cities and towns in regions that fall under the Convergence Objective. Around one third of the Operational Programmes under the European Territorial Cooperation Objective address urban governance related to cross-border agglomerations, transnational urban systems and improved territorial governance.

The URBACT Programme 2002-2013
With the Urban Development Network Programme, URBACT, the tradition of the RECITE Programme has been continued to support the exchange of know-how and experience between key players in urban policies across Europe. The objectives of the URBACT Programme are:

- To provide an exchange and learning tool for policy decision-makers, practitioners and other actors involved in developing urban policies;
- To learn from the exchanges between URBACT partners that share experiences and good practice;
- To disseminate good practice and lessons learned from exchanges between European cities;
The URBACT II Programme focuses clearly on taking advantage of and spreading knowledge.

To support city policy-makers, practitioners and Managing Authorities of Operational Programmes in defining action plans. The URBACT I Programme that was conducted between 2002 and 2006 under the URBAN II Community Initiative was open to all towns and cities that had implemented either an Urban Pilot Project or an URBAN I Programme. In 2004 it was opened to all cities from the new Member States, as they needed guidance and knowledge to confront the vast challenges they were facing in urban development. A total of €24.76 million was made available, of which €15.9 million came from the European level and €8.86 million from the Member States. In total URBACT I rallied 217 cities to work in 38 projects.

With the URBACT II Programme, the EU has expanded its support for exchange between European cities during the programming period of 2007-2013. With its total budget of almost €69 million (of which 77% is co-financed by the European Regional Development Fund), the URBACT II Programme will finance a total of 46 thematic networks and 14 working groups. To date, after a first round of calls for proposals in 2007/2008, 21 thematic networks and six working groups have already been approved for funding under the URBACT II Programme. These projects involve 253 partners, of which are 181 cities (some of them being involved in two projects simultaneously).

Bringing together national authorities, regional authorities and cities from the 27-EU Member States, Norway and Switzerland, the URBACT II Programme is focused on improving the effectiveness of urban development policies in Europe and strengthening the common concept of integrated urban development. With a view to actively contributing to the implementation of the (renewed) Lisbon and Sustainable Development (Gothenburg) Strategies, URBACT II concentrates on themes such as entrepreneurship, innovation, the knowledge economy, employment and environmental issues. Each URBACT II project is linked to one of the three main themes:

- Cities, Engines of Growth and Job Creation;
- Cities, Social Inclusion and Governance;
- Cities and Integrated, Sustainable Development.

The URBACT II Programme focuses clearly on taking advantage of and spreading knowledge. Several new features facilitate this sharing of information:

- The active involvement of Managing Authorities in URBACT II thematic networks and working groups (to date, already more than 200 Managing Authorities across Europe are affiliated with the projects, highlighting their interest in working together with cities on urban issues);
- The obligation for each participating city to set up a ‘Local Support Group’ to widen and deepen the involvement of local key players in area-based regeneration;
- The obligation for all participating cities to develop a ‘Local Action Plan’ for at least one target area in order to manage the transfer of knowledge into actual implementation.

The Regions for Economic Change Initiative

Since 2006, the Regions for Economic Change Initiative (RFEC) has aimed to speed up the implementation of sound ideas. It seeks to strengthen exchange of experience and best practice in innovation among European regions by introducing new ways to stimulate not only regional but also urban networks like the URBACT projects.

Under the European Territorial Cooperation Objective, the initiative allows good innovative ideas to be disseminated rapidly into the Operational Programmes under the Convergence and Regional Competitiveness and Employment Objectives. One special feature of the Regions for Economic Change Initiative is the option of granting a so-called Fast Track Label to regional or urban networks. This label is given to networks which intend to make a vital contribution to one of the 30 priority themes of the Initiative and provide a smooth testing ground for policy ideas, and which have expressed their interest in working closely with Managing Authorities and Commission Services and have (finally) been assessed by the European Commission.

The Fast Track Networks (FTN) can address one of the following seven themes among the 30 under the RFEC which are covered by the URBACT Programme:

- Managing migration and facilitating social integration;
- Integrating marginalised youth;
- Building healthy communities;
- Designing integrated policies on urban transport;
- Developing sustainable and energy-efficient housing;
- Achieving sustainable urban development;
- Re-using brownfield and waste disposal sites.

Every year, the most innovative regional projects in Europe that would also be inspiring to other regions are awarded by the European Commission with a prize, the so-called RegioStars. From 2010 on, the RegioStars Awards will also include a special category for innovative urban projects, the so-called CityStars (website: http://ec.europa.eu/inforegio/innovation/regiostars_en.htm).
Regions for Economic Change: URBACT II Fast Track Networks
Distribution of the networks’ partner cities and their regions, as covered by their respective ERDF OPs (March 2009)

- Building Healthy Communities - urban health network
- HerO - Heritage as Opportunity: Sustainable management strategies for vital, historic urban landscapes
- MILE - Managing migration and integration at local level
- OpenCities - Openness and the competitive advantage of diversity
- RegGov - Regional governance of sustainable integrated development of deprived urban areas
- UNIC - Urban Network for Innovation in Ceramics
- URBAMECO - The urban, social, economic and cultural regeneration of public housing estates in urban areas
CHAPTER

RegioStars will be joined by CityStars in 2010.

Promoting sustainable urban development in Europe

ACHIEVEMENTS AND OPPORTUNITIES

ACHIEVEMENTS AND OPPORTUNITIES

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The Urban Audit

Launched by the European Commission in 1998, the Urban Audit aims to enable assessment of the state of individual EU cities and to provide access to comparative information from those cities. Following a pilot project for the collection of comparable statistics and indicators for European cities, the first full-scale European Urban Audit took place in 2003, for the then 15 Member States of the EU. In 2004, the project was extended to the 10 new Member States plus Bulgaria, Romania and Turkey. Under EUROSTAT coordination, the work of the Urban Audit involves all national statistical offices as well as some of the cities themselves.

The second full-scale Urban Audit took place between 2006 and 2007 and involved 321 European cities in the EU-27, along with 42 additional cities in Norway, Switzerland, Croatia and Turkey. The Urban Audit contains data across the following domains: Demography, Social Aspects, Economic Aspects, Civic Involvement, Training and Education, Environment, Travel and Transport, Information Society and Culture and Recreation. With its broad collection of comparable data for European cities, the audit delivers a sound statistical basis for urban policy-making.

By 2010, the ‘Urban Atlas 2008-2010’ will offer detailed digital maps of more than 300 Urban Audit areas based on satellite images. The objectives are to facilitate the comparison of different urban areas in the EU and to provide a better insight into the urban structure of the EU. At the local level the Urban Atlas will provide city planners with up to date spatial information on land use and land cover, offering new tools to assess risks and opportunities and to monitor development trends in their wider regions.

“Regions for Economic Change seeks to strengthen exchange of experience and best practice in innovation among European regions.”

Regions for Economic Change
CHAPTER 2
THE ROLE OF CITIES AND URBAN POLICIES FOR SUSTAINABLE DEVELOPMENT IN EUROPE
THE ROLE OF CITIES AND URBAN POLICIES FOR SUSTAINABLE DEVELOPMENT IN EUROPE

This chapter addresses the importance of cities and urban policies in achieving sustainable economic, social and territorial development at all levels throughout Europe. After an assessment of economic and population settlement patterns in Europe, the focus will switch to the role of cities as drivers of regional economic development in the face of diverse challenges (for example in the field of disadvantaged neighbourhoods). Particular attention will be drawn to the special challenges of new Member States and the role Cohesion Policy instruments can play in contributing to good governance at the various levels.

Developing more balanced and harmonious settlement patterns in Europe

Compared to other parts of the world, the EU has a uniquely diversified population settlement pattern. There are around 5,000 towns (population between 5,000 and 50,000) and almost 1,000 cities (population above 50,000) in the EU, in which economic, social and cultural activity is concentrated. Only 7% of the EU-27 population live in cities of over five million inhabitants (against 25% in the US). However, in the EU, economic activity is far more concentrated than the population, notwithstanding the fact that economic activity has become more evenly spread in the past ten years both across the EU (due to high growth rates in some Member States) and within EU Member States.

Although concentration of economic activity brings economic gain, due to clustering of specific activities and increasing returns, it also causes problems such as congestion, high property prices, social exclusion, urban decay (including crime and social unrest), pollution, unemployment, below average GDP and the creation of areas with untapped growth potential.

Territorial cohesion – transforming diversity into an asset

Over the last ten years, city planners have had to completely change their thinking on how cities grow and what ultimately constitutes good development. This change was sparked in 1999 when the EU Ministers responsible for spatial planning and regional development adopted the European Spatial Development Perspective (ESDP). This landmark initiative not only initiated transnational cooperation programmes (strand B of INTERREG) and the creation of the European Spatial Planning Observatory Network (ESPON), it was also a starting point for further discussion between EU Ministers. This led to the adoption of the Territorial Agenda of the EU at the Informal Ministerial Meeting on Urban Development and Territorial Cohesion in May 2007 in Leipzig. With its recommendations for an integrated spatial-development policy, the Territorial Agenda of the EU aims to harness the potential of European regions and cities for sustainable economic growth and more jobs. One of the Agenda’s priorities is to strengthen balanced development and innovation through the networking of cities and city-regions. This is also underlined by the Leipzig Charter on Sustainable European Cities, which likewise stipulates the need to promote balanced territorial organisation based on a European polycentric urban structure.

Under Cohesion Policy, the Community strategic guidelines on cohesion for the period 2007-2013 state that the promotion of territorial cohesion should be part of the effort to ensure that all of Europe’s territory has the opportunity to contribute to the agenda for growth and jobs. Strategic guidelines on rural development also highlight the contribution made to Territorial Cohesion by affiliated programmes.

To follow up on this process, the European Commission published the ‘Green Paper on Territorial Cohesion – Turning territorial diversity into strength’ in October 2008. The Green Paper launched a debate on territorial cohesion with a view to widening the understanding both of the concept and its implications for policy, cooperation and the implementation of the Territorial Agenda was adopted in the Azores in November 2007.
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Promoting cohesion: Lithuania’s Operational Programme

The European Commission approved the ‘Promotion of Cohesion’ Operational Programme for Lithuania in July 2007, to last until 2013. The main objective of the programme is to improve living standards throughout the country, from both an economic and social point of view. This is to be achieved by creating the conditions necessary for local development to be strengthened, ensuring accessible, high-quality public services of healthcare, education, employment promotion institutions, non-institutional social services and services to the disabled, as well as by improving the environment, with a special emphasis on improving energy efficiency.

The programme is expected to support 100 integrated urban development projects in economic growth centres, help 200 development projects in problematic territories, improve rural business conditions and employment through 100 development projects, provide assistance to more than 300 healthcare, vocational training and social services and provide significant support to the modernisation of the country’s social and technical infrastructure.

http://www.finmin.lt/web/finmin/home

and coordination. Alongside this, it addresses the need to deal with gaps between different categories of cities and disparities between cities located in regions with diverging rates of socio-economic development.

The Green Paper on Territorial Cohesion identifies distances between urban centres and towns as a practical issue and reminds policymakers that they can overcome problems through better transport infrastructure, developing fast internet connections and ensuring all parts of the population can access services such as higher education, training facilities and healthcare. Solutions such as these can result in more productive and specialised national, regional and urban economies, which are accompanied by higher levels of GDP per head, increased employment and greater research, development and innovation.

Cities as drivers of regional development

Cities play a key role as drivers of regional economies and economic development. They are the centres of jobs, businesses, higher education institutions, innovation and entrepreneurship. As important partners in the pursuit of sustainable growth and jobs, towns, cities and metropolitan areas also play a crucial role in removing obstacles to growth and jobs, such as social exclusion and environmental degradation. In addition, European cities attract investment and employment by offering economic opportunities and a high quality of life. Facing the challenge of city competition, many cities are beginning to work closely with their surrounding authorities and administrations to form ‘city-regions’. City-regions can offer a good framework for authorities to work together across a large urban area to coordinate developments and complex actions, to deliver integrated transport, or to address skills shortages.

In the current funding period of Cohesion Policy (2007-2013), some Operational Programmes are building on the key role of cities in order to improve urban accessibility (transport and mobility) and regional links between the city and the region. Successful regions have successful ‘core cities’ at their heart. Importantly, the ‘city-region’ relationship can be mutually reinforcing if there are positive partnerships that can capture the full benefits for both the city and the region. In a sense, this mutual city-region relationship is based on the belief that surrounding areas provide the resources to drive the economic growth within urban areas – from which the surrounding areas also benefit. It also links to the aim of territorial cohesion, which is the harmonious development of all places, where people are equipped to make the most of local and regional assets.

Typically, urban and rural areas are tied together by markets for labour, manufactured goods, services and agricultural produce. In the context of a globalised economy, where manufactured goods, agricultural produce, services and, indeed, skills are traded far from the centre of production, these local economic relationships may seem less important. However, flows within urban-rural areas remain a vital ingredient of prosperity, both through the supply of human capital and workers’ demand for services.

Growth – stagnation – decline: Policy responses to the diverse challenges in European cities

Urban management throws up all sorts of varied and conflicting interests. Whilst some cities are growing, others are facing stagnation or even decline. Economic growth is often accompanied by congestion and pollution, pressures on the housing market and a lack of affordable housing – which can push families into suburban areas and contribute further to urban sprawl. Population loss, on
Never has there been a greater need for city authorities to adopt an integrated approach and work in partnership and dialogue. The other hand, poses questions concerning the maintenance and provision of infrastructure and the cost of providing quality public services for a declining numbers of users. Never has there been a greater need for city authorities to adopt an integrated approach and work in partnership and dialogue.

Recognising this, EU Ministers responsible for urban development included all the principles of good urban management in the Leipzig Charter on Sustainable European Cities. They recommended making greater use of integrated urban development policy approaches and considered the following strategies for action to be crucial for strengthening the competitiveness of European cities:

- Creating and maintaining high-quality public spaces. Public spaces play an important role in the living environment of urban populations and can attract industry, businesses, tourism and workforces. Being a mix of architecture, infrastructure planning and urban planning, high-quality public spaces should be understood as 'the sum of all the cultural, economic, technological, social and ecological aspects influencing the quality and process of planning and construction';
- Modernising infrastructure networks. This approach is about achieving a high-quality and affordable urban transport system that includes a network linking the city to the region, as well as providing and improving supply networks such as waste-water treatment and water supply;
- Improving energy efficiency, including the efficient use of natural resources, economic efficiency and the energy efficiency in new and existing buildings;
- Proactive innovation and educational policies.

Providing new impetus: European support for a new business zone in Slovenska Bistrica

Covering 336 km², Slovenska Bistrica is one of the largest of the 210 municipalities in Slovenia. But it is also one of the least favoured. The dominant industries in the district are food and manufacturing (especially wood), metal production (aluminium) and construction. These account for two-thirds of its total economic activity. It is a region with many assets, starting with the still very affordable prices per square metre for commercial investment, as well as housing and the extensive public infrastructure. There is also no shortage of skilled workers in the region, with 250,000 inhabitants, 11,000 students and 110,000 workers.

European support to create a new business zone started in 2004, and work was completed in February 2006. The Bistrica Business Zone covers 270,000 m² and has created 211 new jobs (73 directly and 138 indirectly in the city and its surroundings). It is close to the motorway and bus routes and extends across a flat, unpolluted site not prone to flooding. This makes it ideal for the construction of facilities. A new waste-management plant is also being built nearby. The business zone offers both large and small plots of land that can also be incorporated, depending on investors' requirements. The arrival of new companies confirms that the authorities were right to support the local economy. Unemployment in the city has fallen from 24% in 1994 to 14% today, coupled with an increase in GDP.

http://www.slovenska-bistrica.si/

Getting disadvantaged neighbourhoods back on track

All European cities have problems with social polarisation and the accumulation of social, environmental and economic problems in disadvantaged neighbourhoods. These areas exist even in cities such as London, Vienna or Paris, despite their economic success and growth. In other regions these areas are part of wider structural problems.

Once an area has been stigmatised, it is very difficult to change its image. Today's regeneration projects should try to establish links between deprived urban areas and regional and city-wide growth. Disadvantaged neighbourhoods need to become part of the overall development programme, where every district is becoming more...
competitive and strong community identities are forged. This in turn can make deprived urban areas interesting for private investors.

Recognising this, in the Leipzig Charter the EU Ministers responsible for urban development recommended paying special attention to deprived neighbourhoods within the context of the city as a whole. They considered the following strategies for action to be crucial for disadvantaged urban neighbourhoods:

- Pursuing strategies for upgrading the physical environment (e.g., building stock and housing standards);
- Strengthening the local economy and local labour market policy (e.g., create and secure jobs and training and facilitate the start-up of new businesses);
- Proactive education and training policies for children and young people;
- Promotion of efficient and affordable urban transport that links those neighbourhoods to the city and the region as a whole.

The Urban Pilot Projects and the URBAN I and II Community initiatives had already included specific measures to tackle these problems at city level. Thanks to the URBAN mainstreaming in the funding period 2007-2013, the recommendations and principles of the former urban programmes are now incorporated in the Structural Funds Regulations and the Community strategic guidelines, which allows them to be inserted into the Operational Programmes of the Member States and their regions and to spread them across the EU. These recommendations and principles are based on long-standing experience with the URBAN I and II Community initiatives, which has shown that the most successful programmes identify and include areas of opportunity with the potential for growth, as well as areas with serious problems. Disadvantaged urban areas do not only need short-term and ad hoc measures. In particular they also need long-term comprehensive strategies that provide a strong and reliable framework and overall vision for a period of at least five years.

At a regional level, networks between cities and urban target areas in various cities and regions can have a clear added value for individual local operations and strategies. There is plenty of experience of this, especially in Germany, the Netherlands, Italy, France and Spain. The exchange of information and providing training opportunities can contribute to successful programmes. Cross-border, transnational and interregional programmes have also contributed significantly over recent decades to the creation and dissemination of know-how and innovation across Europe.
Special challenges in and for the new Member States

Most of the new EU Member States are facing special challenges when it comes to urban development and regeneration. In most cities of the new Member States (apart from Malta and Cyprus), local authorities became the owners of all former state property, after the opening of their borders and the fall of the former political systems. Cities suddenly found themselves in the role of owners and landlords, with significant structural problems to overcome. In addition, most cities in new Member States have seen their populations dwindle during the recent decade, due to out-migration to other Member States, and in particular to the older ones. Coping with all these challenges required entirely new systems of local administration and ways of actively engaging with the population – which in most cases had not been used to being involved and taking some degree of responsibility in these policy fields under previous political systems. Specific challenges related to shrinking cities also had to be addressed.

In addition, severe economic restructuring has resulted in a tremendous loss of employment opportunities, creating a burden on public resources and support. At the same time, there is an urgent need for investment in industrial areas (such as brown-field regeneration) and the housing stock, as well as physical, technical and social infrastructure.

Moreover, many cities in new Member States have not enjoyed satisfactory conditions in which to develop integrated urban development strategies, as is recommended by EU Cohesion Policy. While cities in the old Member States benefited from two generations of URBAN programmes and the common development of an 'Acquis Urbain', cities in the new Member States could never benefit from this Community instrument or learn from the URBAN experience. In addition, cities in the old Member States often benefited from a long-standing tradition of urban policy at national and/or regional level, whereas cities in many new Member States did not have such support. In the Operational Programmes that include actions in urban development, Technical Assistance may contribute to the necessary increase in capacity building, guidance, know-how and expertise in the new Member States.

How Cohesion Policy instruments can contribute to good urban governance at all levels

As shown above, urban development policies play an important role in achieving sustainable economic, social and territorial development at European, national, regional and local levels. Cohesion Policy instruments support this sustainable development by fostering sustainable urban development policies and sound urban governance at different levels.

At European level, Cohesion Policy contributes to achieving other overarching Community priorities, such as those ensuing from the Lisbon Strategy and the Integrated Guidelines for Growth and Jobs. The Community strategic guidelines on cohesion contain the principles and priorities of Cohesion Policy and suggest ways the European regions may take full advantage of the EU’s Structural Funds. The Member States draw up their Cohesion Policy priorities on
Cohesion Policy 2007-2013 takes particular account of the fact that urban areas are motors of economic change and the key element in European regional development.

The Community strategic guidelines on cohesion 2007-2013 recommend that Cohesion Policy should not only stimulate growth and jobs, but should also pursue social and environmental objectives. The guidelines identify three overarching objectives:

1. Improving the attractiveness of Member States, regions and cities as places to invest, to work and to live;
2. Encouraging innovation entrepreneurship and the growth of the knowledge economy;
3. Creating more and better jobs.

Cohesion Policy 2007-2013 takes particular account of the fact that urban areas are motors of economic change and the key element in European regional development. Local authorities are the key partners in regional and urban development and in the implementation of the Lisbon and Sustainable Development Strategies. In this context, the European Commission has set out a range of fields that need attention and can help to support cities in championing European growth, cohesion and stability. Examples include:

- To make cities more attractive through transport facilities, services, environment and culture;
- To strengthen the relations between urban, rural and peri-urban areas;
- To strengthen the role of cities as growth centres, to promote entrepreneurship, innovation and the knowledge economy and to support small and medium-sized enterprises (SMEs);
- To improve employability and to reduce the disparities between districts, on the one hand, and social groups, on the other;
- To combat delinquency and the feeling of insecurity;
- To improve governance of urban interventions;
- To promote experience-exchange networks;
- To develop financial engineering mechanisms to achieve the maximum leverage effect with Structural Funds.

The Structural Funds Regulations 2007-2013 offer a broad range of tools that provide national, regional and local actors with incentives for innovation and progress in the field of urban development and good urban governance. The provisions include the involvement of cities, local authorities and citizens in the preparation, implementation, monitoring and evaluation of the Operational Programmes. This should be the general rule when designing and implementing urban operations. Further opportunities are the sharing of responsibilities, strategic planning and programming, as well as a strong concentration of funding on strategic urban target areas. Furthermore, the Community strategic guidelines on cohesion 2007-2013 clearly advocate a multi-disciplinary or integrated approach and the involvement of key partners in the cities and local authorities for urban actions. In particular, the use of the capacity-building programmes foreseen for the new Member States would be useful for this purpose.

In a published analysis of the Operational Programmes co-financed by the European Regional Development Fund (2007-2013), two elements of special importance for achieving multi-level governance in urban development have been identified:

- Activities to move from the sectoral approach to a holistic and integrated approach;
- European Groupings of Territorial Cooperation (EGTCs) as opportunities for the re-organisation of cooperation between cities, especially in cross-border agglomerations.

As part of the European Territorial Cooperation Objective, the Regions for Economic Change Initiative allows good innovative ideas to be tested and rapidly applied to the Operational Programmes under the ‘Convergence’, ‘Regional Competitiveness and Employment’ and ‘European Territorial Cooperation’ Objectives. In doing so, the initiative also stimulates better cooperation and coordination between local and regional levels.

As part of the URBACT projects, the envisaged strong links between city administrations and (regional or national) EU Managing Authorities can therefore benefit both sides. Managing Authorities benefit from better prepared project applications, while cities can directly communicate and interact with their responsible funding authorities. Jointly prepared Local Action Plans are crucial reference documents for both sides. This ‘two-way-bridge’ is one key element of the Region for Economic Change Initiative.

Successful regional development foresees the need for cities to be closely tied to development in the rest of their region. The European Spatial Development Perspective, the Territorial Agenda of the EU, the Community strategic guidelines on cohesion and the Green Paper on Territorial Cohesion have increased awareness of how
balanced development across a region can bring communities closer together. There is a growing recognition of the need to promote cooperation, dialogue and partnership between the different levels of government, organisations and the people implementing policy on the ground. Quality of life can improve when urban development is spread out across a region and both economic growth and social gains are achieved.

The drive to make cities more competitive is much more successful if cities and their regions join forces and work in strategic alliances as city-regions, developing new and innovative forms of regional governance. The use of European funding, administered by the

MILE: Managing Migration and Integration at Local Level

MILE is an URBACT II Fast Track Pilot Network that is part of the Regions for Economic Change Initiative. The project has established a thematic network of 10 cities and their regions, based on the need to develop an integrated exchange programme on the theme of ‘Managing Migration and Integration in Cities and Regions’.

The project’s overall aim is to assist cities and regions in actively addressing and improving practice related to issues of migration and integration within their regional Operational Programmes. The overall goal is to assist partner cities in developing and identifying good-practice project proposals for possible funding from ERDF, ESF and other EU or national sources of funding. To realise this overall objective, the project develops and delivers an Action Learning Sets transnational exchange programme (ALS) for over 90 key actors from partner cities and the involved ‘sister regions’. The aim is to ensure close involvement and cooperation in the learning exchange between practitioners, policy-makers and programme managers, focusing on three specific sub-themes that reflect the priorities identified by partners:

1. Enterprise support and development;
2. Active inclusion measures for labour market access;
3. Access to key services (education, housing, health) and intercultural dialogue.

Even though the MILE network is still being set up, its member cities and regions are already starting to benefit from it. In the City of Seville, for example, the Local Action Plan that has been produced as part of this Fast Track Network has already entered its realisation phase and some of the activities have been integrated into the city’s mainstream services. Close cooperation between the participating cities and Managing Authorities, as well as support from the European Commission have, also led to high-quality project development – which has strongly supported the chance for financial resources to be provided to the projects from the European Structural Funds in the participating regions.

http://urbact.eu/mile/

Managing Authorities through their Operational Programmes, requires structured and well-developed cooperation between the national, regional and local levels. Funding and cooperation can particularly be used to achieve a comprehensive regeneration of multiply deprived urban areas, where social gains and sustainable urban development are foreseen and planned right from the start.

The next chapter will examine the drive towards a common European methodology for urban development, one that can foster such a sustainable development in Europe.
CHAPTER 3

TOWARDS A COMMON EUROPEAN METHODOLOGY FOR SUSTAINABLE URBAN DEVELOPMENT
TOWARDS A COMMON EUROPEAN METHODOLOGY FOR SUSTAINABLE URBAN DEVELOPMENT

Over recent decades, urban planning has evolved from being a merely technical discipline into something much more complex, where politicians and stakeholders want urban development to meet the needs of cities and people. Many years of practical experience have delivered valuable elements of good practice and recommendations for urban policy that meet the challenges in European cities. There are at least five dimensions or features that can be identified:

- A move away from individual sectors towards wider integration within the local or regional economy;
- A shift from government to governance, i.e. the tendency of central governments to confer certain duties to lower levels of government, such as provinces, regions, cities, city districts and neighbourhoods (referred to as ‘decentralisation’). Together with the privatisation of governmental tasks, this involves the participation of a larger number of different policy partners, organisations and individuals (governance);
- An increasing focus on empowering the inhabitants of cities and specific neighbourhoods;
- A shift from universal policies to more focused, area-based policies;
- Growing attention paid to the effectiveness of policies.

A common methodology for sustainable urban development has begun to take shape over the last decade and has been generated following the emergence of a European ‘Acquis Urbain’, which builds on the experience gained while supporting integrated and sustainable urban development. This methodology is also in line with the policy principles and recommendations laid down in the Leipzig Charter on Sustainable European Cities. The ‘Acquis Urbain’ is based on the following cornerstones:

- The integrated and cross-sector approach of the URBAN Community Initiatives;
- The new instruments of urban governance, administration and management, including increased local responsibilities and strong horizontal partnerships, successfully tested by the URBAN Community Initiatives;
- A targeted selection of towns, cities and eligible areas and the concentration of funding;
- Networking, benchmarking and the exchange of knowledge and know-how, building on the positive experience and results of the URBACT I Programme.

Pursuing the European political goals of both the Lisbon and the Sustainable Development Strategy, the integrated approach emphasises genuine partnership, cooperation, governance and networking on the level of regions and cities. The need for and added value of a common methodology is underlined by the various challenges that cities face these days, ranging from uneven settlement patterns on a European level to social, economic and environmental problems in disadvantaged urban neighbourhoods.

This chapter explains the main principles and elements of good practice and successful strategies that may indicate the way towards a common European methodology for sustainable urban development. They are illustrated with concrete examples.

“Urban planning has evolved from being a merely technical discipline into something much more complex, where politicians and stakeholders want urban development to meet the needs of cities and people.”
Developing a city-wide vision that goes beyond each project

Successful urban development projects demonstrate how urban operations can be of benefit to the wider local district and the region. For a long time, urban development strategies focused on analysing problems. This has changed in recent years. It is now acknowledged that a district or city can identify its own untapped potential for achieving sustainable revitalisation in a regional context. Such potential needs in turn to be included in long-term strategies for urban sustainable development.

The principle of identifying the untapped potential of people and places applies for entire cities as well as for individual neighbourhoods and areas within cities. Even the most deprived neighbourhoods have something to offer for the development of their surrounding city. The local community and stakeholders in investment projects must be brought together to create a dynamic and wide-ranging vision for the future, where each group contributes to the overall impact of the strategy.

Deprived urban neighbourhoods can create a new image for themselves. They very often suffer from a bad image in their cities and regions – an image that does not accurately reflect the true situation in the area and worse than the perception held by the local community of their area. This stigmatisation of neighbourhoods usually leads to serious obstacles to successful regeneration and it discriminates against local residents in the housing and labour market.

To overcome this, a new approach of ‘neighbourhood branding’ is being developed and realised in many European cities.

A city-wide vision brings benefits to all neighbourhoods.

URBAN II in Turin

INVENTING A NEW FUTURE FOR A DEPRIVED URBAN AREA

The URBAN II programme area in Turin (Italy) lies on the southern outskirts of the city, near to the industrial complex of Fiat Mirafiori. The district needed intensive urban regeneration – not only of the public housing stock, but also the low-quality public and green areas. There was also a need to identify new central functions and to reintegrate the peripheral district characterised by social and physical decline in the whole urban system of Turin.

The regeneration and development model developed for this URBAN II initiative was designed to break the deadlock that the neighbourhoods had faced for many years. An analysis of current conditions, conducted through a continuous process of consultation with local stakeholders participating in the Social Table and the Forum for Local Development, led to the definition of a jointly agreed integrated development strategy. To focus energies on the future development of the area, particularly on the cooperation of partners and local stakeholders, three key slogans have been developed to guide the entire process:

• Find a new centre!
• Get things going again!
• Find a new focus!

With regard to process innovation and the sustainable results of such European projects, one of the most important achievements of this initiative is the ‘Forum for Local Development’, established in the target area. This Forum is required to for effective monitoring of the Programme. Representatives from local associations and businesses are invited to take part in its activities. It includes all the social and economic partners that joined the Programme at the preparatory stage and is open to all people and entities, whether public undertakings, private companies, non-profit organisations, district committees or other groups interested in following its development.

http://www.comune.torino.it/urban2/eng_vers/area.html
Promoting horizontal priority policies:
Expanding the formula for success

Urban policies are usually implemented in carefully marked out areas and aim to involve all relevant local stakeholders and actors. Their cooperation is a key factor for success and this process can be reinforced by targeting specific groups in the area concerned and the co-financing of programmes by the European Social Fund (ESF). Where the ERDF and the European Social Fund are combined, regeneration measures invest in places and simultaneously invest in people and skills, thereby expanding their market and personal opportunities for the future.

Experience shows that area-based approaches are more efficient and deliver more results when they are embedded in local and/or regional policies. This allows targeting of specific policies within a city, an agglomeration or a region and going beyond the boundaries and limitations of an individual area. This is particularly true where the following policies are integrated in a regeneration programme at local and/or regional level:

• Strategic land-use policies
  Local authorities must be clear how they want land to be developed and be able to think strategically for the future when negotiating with potential investors. This is currently an important topic in many of the EU’s new Member States where, in the rush to convert to market economies, investment has been accepted at any price. Local authorities hesitated to impose too many prescriptions, fearing that this would slow down the process of foreign investment and growth. Today however, there is a growing awareness that such disorganised urban development will have high costs for the future.

• Equal Opportunity Policies
  Experience in various European countries has shown that cities can and do achieve more if they create equal opportunities for all citizens within each project. Social inclusion and non-discrimination policies which support efforts to combat poverty and social exclusion, take action against discrimination, enhance the integration of disabled people and improve equal opportunities for women and men can help cities to face the challenges linked to globalisation and changing social realities.

• Environment Policies
  All urban operations face the challenge of protecting the environment and promoting more responsible use of natural resources. Each project is subject to specific measures and checks to make sure they are in line with general environmental objectives. However, the common experience of many cities and regions is that a well-designed regional policy on environmental objectives will encourage individual projects to achieve maximum gains.

• Demographic Policies
  Although demographic development is still evolving as a policy area, it has great significance. Given the challenges of creating balanced and sustainable urban development, including housing and infrastructure, it makes sense to ensure that these measures
Integrated waste management in Ramnicu Valcea

In the Romanian city of Ramnicu Valcea, the Instrument for Structural Policies for Pre-Accession (ISPA) has been used to install an ecologically sound and efficient waste-treatment system with European co-financing.

The city has a population of 120,000 inhabitants. It is at the heart of a region renowned for its spas and health resorts and has a rich historic and cultural heritage. It is a popular tourist destination and an important industrial centre. Problems had arisen with waste management in the area. The lack of an efficient system to manage household waste (at least 20% of inhabitants lack regular waste-disposal services) had led to an increase in the number of dumps situated near inhabited areas. Waste was gathered and stockpiled in a tip situated 12 km from the city centre, on the banks of the Olt, leading to the river becoming polluted.

In 2000, the local authorities of Ramnicu Valcea presented a proposal to the European Commission, entitled ‘Integrated waste management in Ramnicu Valcea’, and put together a partnership with the German cooperation agency (GTZ). In November 2001, the European Commission approved a subsidy of some €1.1 million for the project under ISPA, for the following activities:

- improving the waste-collection system, by implementing selective collection; providing bins and special containers for recyclable and dangerous waste; and organising a media campaign and providing sources of information (website, a household guide, etc.);
- closing the Raureni tip, which was opened in 1978 and no longer complied with updated environmental, health and safety standards;
- creating a new recycling centre at Feteni, in accordance with European directives, with a 1,000,000 m³ capacity and a life expectancy of 19 years;
- constructing a composting station where biodegradable waste will be treated and turned into fertiliser.

Mid- and long-term plans for urban development and renewal

Development plans must be drawn up with a long-term perspective, including milestones for measuring progress along the way. In this respect, the timing of different projects is crucial. Here are some of the timing challenges for a successful integrated urban development strategy:

- Knowing how to leave
  Public policies and funding schemes, which are necessary to support integrated development, are time-limited and do not always coincide with the actual development of an urban area. It is important to have an exit strategy, preparing for the time after the end of public funding, so that the benefits of a development programme do not grind to a halt.

- Being aware of politics
  Changes in administrations following local elections can sometimes affect or slow progress in urban development, such as certain projects. Long-term strategies that may have just started might then have to be changed. Planning and funding should aim to take into account the impact of politics and design development strategies accordingly. Furthermore, a strong political commitment at local level is necessary to move things forward and to involve partners at local and regional level, and sometimes also at the national or European level.

carry on meeting the needs of the population over the long term. In order to cope with demographic change, be it a growing or shrinking population, the ageing of society or immigration, policy-makers must look carefully at what tomorrow’s generation will require rather than simply responding to the problems they see today.
Meeting short-term and long-term expectations

The patience of local communities may be sorely tested if they have to wait a long time for improvements as a result of the local authorities being subject to strict legal requirements and the limits of public funding. If people locally do not see any quick progress ‘on the ground’, they tend to lose the motivation to be involved. Therefore, successful strategies aim for a mix of activities, with tangible results over the short and long term. Neighbourhood Funds, which can be spent by the residents themselves, may be particularly useful in these situations.

Similar differences in expectations can occur where there is cooperation between the public and the private sector. Cities often find that investors’ short-term expectations are a problem, because planning procedures take far too long to keep private investors interested. Many European cities have improved their management and governance systems to accelerate the planning process. At the same time, private investors have as much to gain as public ones from a sound, long-term planning strategy, allowing them to assess the potential gains from their investment in a particular location.

Promoting sustainable urban development in Europe

Youth of Bristol pool energies to design their urban environment

The district of Hartcliffe and Withywood in the English city of Bristol (United Kingdom) is undergoing much needed regeneration. The area bears many of the hallmarks of deprivation, challenging social issues, high levels of unemployment and a number of underdeveloped public spaces. The major redevelopment scheme brought together professionals from various fields. Discussions between like-minded individuals within The Architecture Centre, Bristol, The Glasshouse, London, Bristol City Council and the Hartcliffe Community Campus led to the creation of ‘Spacemakers’. Together they came up with the idea of involving disadvantaged young people in shaping their local environment.

Those who got involved went through a lengthy preparation period, so they could play their role as Spacemakers. This included a three-day, tailor-made course on the design of public spaces, during which young people learnt about regeneration issues, public speaking, planning and negotiating. They also visited four major parks in the UK and others in the Netherlands to help them develop their views and ideas about the features they liked and might want to incorporate into their own park.

Having chosen a site from ten local spaces available for development, the group worked with the project artist, experimenting with possible designs and features. They then selected a landscape architect from 17 different candidates, which involved them having to provide each of the three short-listed applicants with a presentation about the project and their priorities for the park. Following this stage, much of the practical work was carried out by the project manager and landscape architect; but the Spacemakers kept people informed of developments. They produced ‘flyers’ and prepared models, plans and displays, which they presented to local residents and funding bodies, including Bristol City Council officials and elected members.

In the end, a public space was created that contained many elements and opportunities proposed and selected by the young people involved. This includes a futuristic shelter, a slide and water channel. In addition, the choice of materials was based on their observation of vandalism in other public spaces and thus indicated a clear preference for what the young people called ‘indestructible’ materials.

http://www.bristol.gov.uk/
Operational Programmes (OP) at national or regional level are a good way forward, as they allow for sustainable mid- and long-term strategies. An OP puts development programmes within the framework of a mid-term regional planning strategy and also provides them with a reliable financial background. Many new Member States have chosen to co-finance Integrated Urban Development Plans (IUDPs) within the first implementation phase of the current programming period. Project applications are only accepted for funding if such plans have been submitted.

Achieving more: The integrated approach as an added value

The challenge of integrated urban development is to promote competitiveness and social inclusion, whilst improving both the built and the natural environment, so that living conditions improve. This is a key determinant of the quality of life in urban areas and also a deciding factor in attracting business. The complexity of integrated urban development becomes clear when diverse measures are harnessed to bring about benefits that go beyond the actual development project. For example, the provision of green space must be seen along with the renovation of derelict buildings and land. Another example is environmentally friendly transport systems, which must cover not only passenger services but also alternative modes of transport, such as provisions for bikes. In addition, these systems must also take into account factors such as energy efficiency, renewable energy, noise levels and air pollution.

The changing face of urban development

Urban development in Europe has gone through various ‘waves’ of change and re-definition over the years. The first urban regeneration projects in the 1960s in Germany, France and the United Kingdom centred around slum clearance, with the demolition of existing buildings and structures and construction of entirely new areas. This left many European cities with large mono-structured, often pre-fabricated housing estates, which have since created many new problems.

In the 1970s, the emphasis was more on creating both physical structures and social structures in neighbourhoods (this is still very much the case in new Member States). This approach allowed for modernisation and careful development of existing buildings and structures. It placed a higher value on the cultural heritage of European cities and used this as a starting point for shaping the future. However, policies during this period were still biased towards new building, and the results show us that the benefits are limited. In areas suffering from deprivation, new buildings did not necessarily meet the needs of the local population. They were still cut off from the rest of city life and economic growth, vandalism was prevalent and these communities felt no lasting sense of development.

It taught policy-makers that elements of job creation must be integrated into redevelopment strategies at an early stage. Modernisation and construction works could be used to employ and train disadvantaged local people. Therefore many schemes of ‘Local Work for Local People’ have been implemented across Europe. They have helped to create an added value for local people and improved their chances of being integrated in the labour market.

As the urban policies of EU Member States, towns and cities have progressed, the local economy has become increasingly important. As a result of economic change and a general restructuring in industrial and commercial structures, both small and medium sized enterprises (SMEs) and large companies have been offered new and different prospects. They are a key part of the economic future of regions, cities and neighbourhoods. For example, SMEs are well suited to projects aimed at integrating ethnic minorities within an urban economy. ERDF-funding, often combined with ESF-funding, has created numerous innovative solutions all over Europe – many of them under the URBAN I and URBAN II Community Initiatives. This has significantly improved the impact of urban development and regeneration in European cities.
Core elements of an integrated approach

To achieve both competitiveness and social cohesion within urban development and regeneration strategies and programmes, a variety of features must be incorporated. These include economic growth and jobs, environmental aspects such as energy efficiency and climate change, social exclusion, poverty, crime, integration of migrants and ethnic minorities, gender equality, demographic change, urban sprawl, architecture, culture and good governance. These different aspects are analysed in this and the next chapter.

Successful stimulation of business activities in four deprived areas of Strasbourg

The districts of Meinau, Neuhof, Musau, Port du Rhin, to the south of Strasbourg (France) and the 37,000 inhabitants living there, are experiencing a host of difficulties that are also common to many suburbs. Unemployment, poverty and failure at school are all factors that contribute to social exclusion and insecurity and are detrimental to local economic development. There is little in the way of business networks at the heart of housing estates, which have poor facilities and services. The high failure rate of SMEs there is combined with the advanced age of their owners. They have difficulty accessing regional or national public assistance mechanisms, whose selection criteria and procedures are inappropriate to the local context.

In order to support the economic and social revitalisation of the city’s southern districts, the European URBAN II programme for the Urban Community of Strasbourg (CUS) has focused on a strategy that combines territorial structuring effects and community stimulus measures. The conclusions of a survey of 226 SMEs led to the introduction of a new support mechanism for small businesses, crafts and local services in the southern districts. Aimed at businesses with fewer than 20 employees, it provided aid for tangible, intangible, property and movable property investments through three types of intervention: conversion, productive investments (machinery and software) and support for reopening a business.

On 11 April 2006, this URBAN project earned Strasbourg the first prize in the French economic press competition ‘Economic initiatives’ in the ‘Enterprises and territories’ category. A few months later, the foreseen objectives were surpassed and the CUS negotiated a new annual budget with the region, which as a result increased to €70,000. At the end of September 2006, the assistance fund had already benefited 14 businesses. In terms of jobs, the project has so far resulted in the maintaining of 83 positions, plus 11 created. The project itself employs 12 people, who oversee its implementation. Since it is applicable to all types of local activity, the assistance has the advantage of giving support to investments in businesses and providing services to people, which are in turn a significant source of jobs.

http://www.investir-strasbourg.com/

Migrants and ethnic minorities must be fully integrated into urban communities to achieve social cohesion in our cities.

Most of the URBAN I and URBAN II programmes have shown that innovative integrated approaches can have valuable positive effects that go far beyond the immediate improvements achieved in a neighbourhood. They have often been testing grounds for new local procedures, new forms of cooperation and the participation of many different groups in project design and management.

Both the Commission Communication on Cohesion Policy and cities of 20063 and the Leipzig Charter on Sustainable European Cities of 200753 recognise the problems in reaching the goals of integrated development. Both documents highlight how the different features mentioned above must be taken into account at every level. When all the contributory factors are channelled in the same direction, new growth brings lasting economic and social change with better environmental safeguards. We will now look at how these different measures can be built into a successful programme.
Successful integration of sectoral policies: Using regeneration to integrate businesses and strengthen the economy

Cities can develop and strengthen the local economy through urban development and regeneration projects. Again, there are many different opportunities open to those in authority. By getting closer to local people, cities can help entrepreneurs target new markets and define their needs for business support services. They can work with businesses to identify specialist organisations offering efficient, comprehensive business support.

Cities have a big role to play in providing different types of finance to local businesses. They may become part of guarantee schemes, arrange business loans and micro-credits, or offer grants and tax incentives. In addition, cities can take on an entrepreneurial role and actively develop enterprises based on the opportunities identified. They can also work with businesses to identify new markets and encourage small-scale private investment. As a major purchaser, the city can have an important impact on local enterprises.

Successful integration of sectoral policies: Integrating training and employment objectives

Cities are not powerless when it comes to creating new training and employment opportunities. Integrated urban development policies at national, regional and local level are a great starting point.

CASE STUDIES

A successful Urban Pilot Project in Bilbao

FROM A HOUSING AREA TO AN ECONOMICALLY VIBRANT NEIGHBOURHOOD

The Urban Pilot Project in Bilbao (Spain) focused on the area of Otxarkoaga, a peripheral neighbourhood of the city that was built in the 1950s in response to Bilbao’s housing shortages and industrial boom. Isolated from the rest of the city and affected by the decline of Bilbao’s industrial base, the district was suffering from a range of economic and social problems.

The Urban Pilot Project addressed the issues facing the neighbourhood through an integrated package of measures targeted at three different problem areas: the environment, commercial development and the overall lack of economic activity.

Amongst the measures to improve the environment was the development of a recycling centre dedicated to the repair and recovery of various items, such as household appliances and furniture from all over the city and beyond. In order to further stimulate employment and economic activities, the project financed training courses for employees working in shops, including management training, information technology skills and customer services. In addition, comprehensive rehabilitation of the commercial shopping centre was undertaken to improve access, enhance the overall appearance and extend the surface area to allow the centre to diversify. A crucial part of this action was the creation of an Association of local commercial enterprises.


Raising entrepreneurial spirit in disadvantaged local communities in Brussels

Setting up a business is certainly not a game. There is, however, a fun way to learn about entrepreneurship, one that has been used by Groupe One, a non-profit organisation in Saint Gilles located near the Gare du Midi/Zuidstation in one of the rundown urban areas of Brussels (Belgium), where various economic and social handicaps result in high unemployment rates, thus warranting support from the URBAN II Community Initiative.

This method originated in South Africa and is based on an interactive business simulation game that places participants in a business environment. This ‘learning by doing’ method allows them to evaluate their responsibilities and learn from their mistakes, and it encourages them to be creative in their endeavours.

‘J’entreprends@Bruxelles’ has been operational since January 2005 following a development and test phase, and at the end of 2006 had provided a total of 465 hours of training to 828 people from secondary schools, higher education institutions, NGOs, vocational and social integration bodies and people with business projects. The vast majority reported they were very satisfied with the training. It is not possible to measure the programme’s impact in concrete terms, as in many cases it provides participants with a form of ‘economic literacy’ which may bear fruit in future in unpredictable ways.

point for using cities’ own local labour force. There is a broad range of options open to local authorities as they put regeneration programmes into action:

- Cities can work with public and private business partners to create jobs that have a long-term future. The most successful cities do this by taking a city-wide approach to training needs, thereby overcoming labour-market barriers. They work towards developing a stronger social identity in deprived areas by identifying the potential of their local population.

- Cities can close the gap between social services and employment policies to support the transition from social benefits dependency to entering the labour market. Here they should take specific account of the needs of minorities, young people and women.

- Cities can use new technologies to increase access to educational resources and help to build life-long learning strategies. This may offer new options for those who have slipped through the formal education system and build bridges between schools, training establishments and employers.

- Cities can anticipate trends in the labour market and the local economy and use this knowledge to fill skill gaps for employers. Along with training, cities can offer mentoring support and bring in business leaders who can inspire entrepreneurship among groups who are poorly represented in the economy.

- Cities can use their spending power to create jobs for local people. As major investors and employers, cities can ensure that the recruitment and training policies of large institutions create employment opportunities for disadvantaged groups or areas.

Successful integration of sectoral policies: Environmental protection

New habits start at home as far as environmental gains are concerned. Problems may be global, but changes in policies locally have

Environmental sustainability as a driving force in urban regeneration: An Urban Pilot Project in Falun and Borlänge (Sweden)

This Swedish Urban Pilot Project aimed to establish the principle of environmental sustainability as a driving force for change and regeneration in medium-sized towns. The neighbouring towns of Borlänge and Falun are located between Sweden’s populated south and the sparsely populated northern interior. This area has suffered the effects of industrial decline.

The Urban Pilot Project provided a platform for cooperation between the two neighbouring towns, to work towards sustainability at a local level. The aim was to stimulate sustainable development through research linked to the support of new environmental practice. The project aimed to persuade existing companies to incorporate environmental technology into their working practice, as well as support new business activity in areas with growth potential in the fields of ecology, the environment and energy. By integrating a range of measures, the project provided a focal point where synergies and interrelated activities could be developed.

The medium-term aim of the project was for sustainability to become a standard concept in urban regeneration and local economic development, as well as in the minds of everyday citizens.

The project’s focal point was the ‘Dalarna Natural Resource Centre’ (NRC), located in the Vassbo area, halfway between Falun and Borlänge. The NRC has four main functions. It coordinates the cities’ environmental activities and hosts three specific institutions: a ‘European Urban Research Park’, an ‘Economic and Technology Centre’ and a ‘Centre for Environmental Information’. The Information Centre supports the region’s SMEs in improving their environmental practice and also stimulates the transfer and use of environmental technology within the private sector and nurtures the establishment and growth of new SMEs in the environmental sector, thus supporting the economic restructuring of the area.

much to offer in terms of changing hearts and minds at regional and national level. If urban development and regeneration policies systematically include an environmental strategy, the benefits are wide-ranging.

Regarding the energy efficiency of housing stock, cities can offer incentives for home-owners and housing companies to comply with contemporary environmental standards that deliver efficiency gains. A similar environmental approach to constructing and renovating public buildings and local infrastructure can ensure that a city has truly ‘green’ credentials to offer to its residents. This can be extended to its transport system and public services. Cities can also place more emphasis on improving the quality of their public open spaces.

Upgrading the environmental standards in public buildings, especially schools, can be used as a practical illustration for environmental education. In addition, cities can offer a vision of more responsible use of natural resources. Sourcing products locally, for example, reduces transport costs and promotes regional products. Finally, cities are more attractive if the public transport system is clean and efficient and if alternative modes of transport, such as cycling, are well provided for.

Successful integration of sectoral policies: Integrating social capital to promote city life

An area will be attractive partly because of the people who live there. Impressive buildings and infrastructure will not by themselves yield permanent benefits if the abilities and commitment of local people are not used to develop local identity and a sense of community. But how can these social assets be incorporated into successful development programmes?

Cities can establish and support neighbourhood associations, which can then be a focus for local participation in regeneration. These associations can also empower residents to take on formal roles on behalf of local people, such as running committees on areas of interest, taking part in planning discussions and representing people in local political life. Cities can aim to reach marginalised groups within the community and decide on targeted support to encourage their involvement in local development.

Neighbourhood Funds can be used to involve residents in designing and running their own projects within a limited budget. Their practical involvement, through local associations, allows very specific local priorities to be pursued and keeps people more committed over time (see the section Financial ways of empowering neighbourhoods).

Successful integration of sectoral policies: Developing transport and mobility

Integrated development plans are well suited to delivering transport infrastructure and increasing mobility. City authorities must be imaginative and think strategically to ensure that all sectors of the local population benefit. For example, transport infrastructure must be planned in the context of regional and national networks. Cities should ensure that their plans become part of an integrated transport network at metropolitan or city-regional level, where land use, planning and construction are coordinated on a bigger scale.

Innovative forms of public transport in the Dutch province of Flevoland

Until recently, the province of Flevoland (Netherlands) – economically the poorest in the country – suffered from a poor regional public-transport system. There was a lack of buses in the evenings and weekends, some lines had been suspended and many inhabitants could not access public transport near their homes. At the same time there was a greater need for public transport, owing to the ageing population and an increase in the number of handicapped individuals and those with illnesses.

Conscious of the social and economic role of public transport as well as its environmental benefits, the Dutch authorities devised a national policy to provide a better match for the requirements of efficiency, availability and security in public transport. This gave rise to a new concept: ‘A la carte’ public transport. Its flexible formula combines a taxi-style service with traditional public transport. With one telephone call, an itinerary is organised on request to take the traveller where he or she requires, including places inaccessible to public transport lines. People can therefore travel from door to door or attend sporting or cultural events, making use of the best possible combination of different means of transport. They get all of this for prices only slightly higher than (or in some cases equal to) those charged on the usual public transport lines and in any case significantly lower than the average taxi fare.

The concept, simple in principle and sophisticated in practice, is entirely geared towards people’s real needs. The first ERDF subsidy was given to the Mobimax project set up in the suburban region of Noordoostpolder, which began in April 2000. October 2001 saw the start of the Public transport on demand scheme in Dronten, which was also co-financed by the EU. The new formula has been very successful and the number of users has exceeded expectations. As a result, in April 2005 ‘Regiotaxi Flevoland’ was set up to take over from preceding projects, this time without assistance from the ERDF.

http://www.flevoland.nl/
City authorities can be pro-active in designing transport services that are cleaner, more affordable and more efficient. New investment in public transport provides an opportunity to adopt greener technology. Authorities may also decide to encourage more fuel-efficient cars or target congestion problems. It is important that the whole population should have access to jobs and services. People who do not own cars, such as the elderly, young people and the disabled, need to be able to travel independently and safely around their city, and should therefore be provided with attractive public transport. In addition, connections between key points around the city should be part of strategies to increase mobility and facilitate freight transport and logistics. Access to airports is particularly relevant to some cities in new Member States. Cities can use urban development plans to boost alternative means of transport, including cycle lanes and pedestrian areas.

**Successful integration of sectoral policies:**

**Cultural values and activities**

Cultural diversity is a rich resource that should be celebrated in cities – including an area’s physical cultural heritage, cultural traditions and the knowledge of local residents. Multi-cultural urban societies have the potential to contribute to new development of urban neighbourhoods in many ways:

- Culture is a key factor in maintaining collective self-esteem and encouraging more active citizenship. It can place a local area ‘on the map’ and promote its unique identity within a city.
- Cities can use cultural support activities to establish new local associations and build a better image in a deprived area. As the area gains popularity, people view it as a more attractive place to live and one that may even have tourist potential.
- Cities can use the cultural background of deprived urban areas to generate new market opportunities, providing local people with new training and employment.
- Cultural activities can particularly benefit the involvement of women in society. Where cultural assets are given a more prominent role, there are natural ways to include women in the economic life of an urban area.

**Getting things done: Financing and investing with lasting effects**

Securing finance for urban development clearly requires very detailed planning and negotiation. Urban development programmes should include a long-term financial strategy right from the start, where funding is planned and secured for at least five to 10 years. This is crucial for success, giving security to the programme throughout its duration. It also makes it more independent of electoral cycles and possible changes in local political majorities and preferences.

Experience has shown that shorter planning periods were inadequate in most cases, as any lasting progress needs several years to take effect, especially if all relevant local stakeholders are to contribute. It also takes time for the local community to become involved and reach the point where the citizens are really integrated into the social and economic context of their surrounding city and region and actively play their part in developing it.

**Making private capital work for cities**

In terms of how finance is structured, successful urban development and regeneration cannot be done with public funding alone. It has become increasingly important to get the private sector involved and to acquire private capital, especially for large development projects such as the reuse and redevelopment of redundant industrial or military sites.

Cities are aware that there are deals to be struck with the private sector. Companies receiving planning permission are often also being handed the opportunity to make sizeable profits. These days, more and more public authorities are generating ‘planning gain’, realising that they do not have to give such chances away for nothing. Many European cities now routinely ask private investors to contribute to urban development – generally on the basis of respective urban-planning legislation – and lay down their conditions for planning permission in a contract.

**Clever finance is flexible: An example from the new Member States**

Revolving funds are a way of selling limited levels of assets to generate funds for ongoing development projects and ensure that finance covers a long-term perspective. Below is an example of how the principle works.
Many cities in the new Member States have become owners of large housing stocks, after the change in their political systems, and therefore have big potential assets at their disposal. Instead of selling all the best elements of that housing stock and keeping only the most unattractive parts, as has happened in the past, many cities have learned that it is far better to sell off only limited parts of that stock. The income generated can become a revolving means of finance for further modernisation, rather than an instant source of revenue to other parts of the economy. Over time, further sales of high-quality housing could continue to generate income for future maintenance and modernisation in the local authority’s housing stock.

Such an approach could help to keep high-quality housing within local authority ownership, for households in need, and at the same time provide them with money to keep this housing in good condition. The same principle can also apply to the development of former military sites, now in the ownership of local authorities.

Securing long-term funds as part of Regional Policy

Since urban development has been integrated into the mainstream Operational Programmes, European Structural Funds have taken on a new relevance for integrated urban development projects. Member States and regions can now include specific provisions for sustainable urban development in their Operational Programmes, providing a very stable financial framework over many years. These funds allow for a combination of both short-term funding for time-limited tasks and integrated development concepts with a long-term financial perspective until 2013.

The Four J’s

At European level, four initiatives have been launched for Cohesion Policy programmes in the period 2007-2013 to improve access to finance:

- JASPERS (Joint Assistance in Supporting Projects in European Regions) involves a partnership between the European Commission (DG Regional Policy), the European Investment Bank (EIB) and the European Bank for Reconstruction and Development (EBRD). The main objective of JASPERS is to provide assistance to Member States in the complex task of preparing proposals for large projects supported by EU funds (costing more than €25 million for environmental projects and more than €50 million in transport and other areas). This measure will provide comprehensive assistance for all stages of the project cycle, from the initial identification of a project through to the Commission Decision to grant assistance and speed up the overall process.

- JEREMIE (Joint European Resources for Micro to medium Enterprises) is an initiative of the European Commission (DG Regional Policy) together with the European Investment Bank (EIB) and the European Investment Fund (EIF) to promote increased access to finance for the development of micro, small and medium-sized enterprises in the EU regions. In its first phase, JEREMIE consisted of an evaluation of the supply of financial engineering products in the Member States and regions of the EU and an assessment of potential needs. The second phase of JEREMIE intervenes in the programming of actions for the period 2007-2013. Where Managing Authorities of Structural Funds programmes wished to benefit from the JEREMIE framework, they would decide to allocate resources from the programme to a holding fund. The holding fund could be a suitably qualified financial institution at national level. It is also envisaged that, under the JEREMIE framework, the Managing Authorities can ask the European Investment Fund (EIF) to carry out the holding fund tasks when the programme allocates a grant to it, which would also facilitate the levering-in of additional loan capital from the EIB. The holding fund will organise calls for expressions of interest from financial intermediaries and will also evaluate, select and accredit them. These financial institutions can offer many different types of finance, including venture or seed capital, start-up grants, micro credits, technology transfer funds and guarantee funds.

- JESSICA (Joint European Support for Sustainable Investment in City Areas) is a European Commission initiative (DG Regional Policy) in cooperation with the European Investment Bank (EIB) and the Council of Europe Development Bank (CEB) to promote sustainable investment, growth and jobs in Europe’s urban areas. The JESSICA initiative enables the Managing Authorities of Structural Funds programmes to take advantage of outside expertise and have greater access to loan capital, including loans for social housing where appropriate, as well as benefit from a strong leverage effect by attracting sizeable amounts of private funding. Where a Managing Authority wished to participate in JESSICA, it would contribute resources from the programme, while the EIB, other international financial institutions, private banks and investors would contribute additional loan or equity capital as appropriate. Since projects will not be supported through grants, programme contributions to urban
Cities on the cutting edge of development

A joint effort at all levels of state to support integrated neighbourhood development

The German Socially Integrative City Programme is a targeted and joint effort on the part of all levels of state (national government, regional governments and local authorities) to combat urban deprivation and social exclusion, calling on integrated approaches to neighbourhood development. The aim is to combine and integrate investment and non-investment measures from various EU, federal and Länder programmes focusing on urban renewal to produce a centrally managed programme.

The participating municipalities must draft a long-term, district-oriented, integrated action plan as a basis for Socially Integrative City implementation. Key elements of success are the pooling of resources, having the right motivation and involving all the local key players, as well as the establishment of new management systems and organisational structures to create sustainable solutions for the integrated regeneration of deprived urban areas.

http://www.sozialestadt.de/en/programm/

CASE STUDIES

JASMINE (Joint Action to Support Micro-Finance Institutions in Europe) aims to make small loans, or micro-credit, more widely available in Europe to satisfy unmet demand. Micro-finance is an important facility for urban investment, as many small, targeted types of funding add up to a broader picture of dynamic change. To find more capital for micro-credit providers, this initiative proposes setting up a micro-fund in a new facility. This would help finance the loan activities of micro-finance institutions, which can also expect to attract contributions from a range of investors and donors. The EIB and the EIF will run this facility, which will conduct market analysis, establish guidelines and promote training courses in particular to develop mentoring capacity, essential for good micro-credit operations. Financial support would come from the existing technical assistance budget of the Structural Funds (ERDF). The JASMINE team will liaise with Micro-Finance Institutions and the EIF to help them improve their procedures and become more credible in the financial sector. These small lenders can use the expertise of the JASMINE team to check that they are requesting enough technical support, seed capital and operational capital. The JASMINE team will also examine their business plans prepared for the EIF and will make proposals to the financing board.

Combining funding programmes

There are many examples in Europe to show that cities can equally benefit and work successfully in urban regeneration and development, if they are also provided with national funds for urban development. In addition, combining several complementary funding programmes and bundling money from different levels for integrated operations can make it easier for cities to use co-financing from EU Structural Funds.

Financial ways of empowering neighbourhoods

A relatively new financial instrument in urban regeneration is the development of so-called Neighbourhood Budgets, or Funds, which have become increasingly popular in German and Dutch urban policy. Their creation stems from two fundamental observations.

Firstly, urban regeneration requires the full support and cooperation of local communities. Often though, citizens living in multiply deprived urban areas have had many negative experiences, leaving them with a feeling of frustration and powerlessness. It may be hard to win back their trust and motivate them to become involved in urban regeneration. This process can be facilitated if they have access to limited budgets that they can spend on their own priorities to bring immediate improvement and change.

Secondly, Neighbourhood Funds can help to bridge the gap between short-term gains and long-term perspectives, with small but rapid improvements that directly benefit local residents. This is helpful in keeping local people motivated to be involved in large-scale regeneration projects, because it can be hard to reconcile the speed with which local authorities can act and the expectations of local people.
Social capital and neighbourhood finance: A powerful combination

Investing in the skills and commitment of local people is crucial for a project’s success. At some point in the future, the area will lose the benefit of public intervention and the local community will then have to continue the regeneration process. If people have gained enough confidence, expertise and commitment during the period of EU funded schemes, they will move from mere participation to being at the heart of developing innovative solutions to confront the challenges of their area.

Neighbourhood Budgets can have a powerful effect when made available to local people who are empowered to build a better future in their community. When that is the case, finance from outside the community yields solid rewards through local people who take up the reins of promoting their area as a place to live and thrive economically.

Getting things done: Creating strong local and regional partnerships

Successful and sustainable development of urban areas requires strong local and regional partnerships. There are many reasons to form such partnerships in order to achieve good results that take account of many policy priorities. Public resources are limited, so there is an urgent need to secure work with the private sector to access sufficient finance and to bring in new expertise.

Partnerships also allow more know-how to be brought into the operation. This is especially valuable when public political know-how is combined with the private sector’s entrepreneurial know-how and residents’ local know-how. Furthermore, the involvement of local people in designing and implementing projects can help create a stronger sense of ownership and responsibility. This is important future in their community. When that is the case, finance from outside the community yields solid rewards through local people who take up the reins of promoting their area as a place to live and thrive economically.

Getting the local community involved

THE ‘SMALL PROJECTS FUND’ IN GRAZ

Projects completed all over Europe have shown that the long-term and active cooperation and commitment of local communities can receive a significant boost if a fund is offered that allows the local communities to receive financial support for their own project ideas.

The City of Graz (Austria) has established such a fund as part of its URBAN II programme. It allowed all local citizens, enterprises and associations to develop their own ideas for revitalising the area and obtain funding for implementing their ideas following a simple application procedure. The project ideas that received financial support from this fund were selected by a jury made up of four members of the district council, four proactive citizens and a representative from the local authorities’ URBAN team.

http://www.urban-link.at/english.php

CASE STUDIES

Prague Smíchov: Private investors as generators of neighbourhood revitalisation

Until recently, Smíchov (Czech Republic) could have been described as a traditional inner-city working class neighbourhood facing lack of investment and deterioration of housing stock, the economic difficulties of deindustrialisation (factories being closed down) and a socially disadvantaged population (working class population with a relatively high proportion of Roma, for example).

Much private investment has flowed into the redevelopment of abandoned factories and putting them to new uses, the refurbishment of existing building stock, improvements in transport and the regeneration of public spaces. Public authorities have encouraged revitalisation in several ways, notably by defining a common framework for local development initiatives and by appending infrastructural investments. For example, private investors have purchased the land from Prague City and transformed it into an attractive and economically active part of a modern city. A synergy between private and public interests seems to have worked in rejuvenating Smíchov.

http://www.eukn.org/eukn/
when public funding comes to an end and local people and stakeholders take on the role of maintaining the improvements, promoting their areas and attracting business investment.

In early examples of partnership schemes, there was a strong focus on ‘Public Private Partnerships’, in general due to a pressing need to raise additional financial resources. There have been many successful examples of this.

Subsequently, it emerged that residents and non-profit-making organisations representing certain target groups need to be brought into the picture as well. Therefore, the focus today is not only on Public Private Partnerships, but also on comprehensive Local Partnerships, where everybody who can contribute to the success of regeneration is actively involved.

The direct involvement of cities and local authorities in the programming, design and delivery of urban development programmes was also a successful element in many URBAN programmes. For the 2007-2013 programming period, partnership with and the involvement of local and urban authorities during the preparation, implementation, monitoring and evaluation of Operational Programmes is explicitly defined in Article 11 of General Regulation 1083/2006 on the Structural and Cohesion Funds.

Communicating well at all levels

The very nature of partnerships is to strengthen the horizontal dimension of policies. However, there are also new moves in urban governance to improve vertical cooperation, whereby local, regional and national bodies work more effectively together.

Because the EU Regional Policy Operational Programmes also contain urban priorities, measures or actions, the Managing Authorities in the Member States also become responsible for finance from EU Structural Funds. Cities and regions must therefore communicate well in order to make the best use of funding. A number of recent Cohesion Policy instruments, such as the Regions for Economic Change Initiative or the URBACT II Programme, guide participating regions and cities in fostering their cooperation and spreading know-how and experience gained from all over Europe.

National authorities also have much to gain by finding good vertical cooperation with their cities and of exchanging knowledge with each other. For many years now, Dutch, German and British urban policy has demonstrated how important is the added value of cooperation between the different levels. The URBAN Community Initiative has also led to new forms of vertical cooperation between national governments and their cities in Member States such as Spain and Italy. This cooperation has provided these countries with a greater

The City of Duisburg: An example of strong local and regional cooperation

The City of Duisburg is situated in the Ruhr area in North Rhine-Westphalia (Germany), which has been strongly affected by the processes and challenges of economic restructuring over the past few decades. This has led to numerous neighbourhoods and areas characterised by deprivation and segregation.

In order to develop and implement innovative integrated and sustainable solutions, the City of Duisburg created the Duisburg Development Company (EG DU) in 1999. The task of the EG DU is to play a part in the improvement of the economic, social and housing structures in the Duisburg neighbourhoods particularly affected by problematic situations that involve urban planning, social policy or intercultural affairs. The tasks specific to each neighbourhood are derived from the individual action programmes, specific to each situation, whose implementation and further development have been entrusted to the EG DU by the City Council.

To tackle the problems in the different areas of responsibility in a systematic and subject-related fashion, an interdisciplinary team of architects, economists, youth and community workers and administration experts works just below management level. This team provides advice and carries out activities on behalf of the neighbourhood offices set up locally.

The EG DU implements integrated revitalisation strategies in several of the city’s deprived urban areas. It has also created a city-wide platform for urban development to oversee development in the entire city and its neighbourhoods and to design an early-warning system in the event of negative development in specific areas, which will allow early intervention.

The city-wide cooperation of all key players is embedded in a successful regional cooperation. This is formed by regional networks of North Rhine-Westphalia’s cities, which are co-financed by the regional ministry responsible (MBV NRW) and allow key players in urban regeneration from all cities in the region to exchange examples of good practice and learn from each other. In addition, the regional ministry takes a very pro-active approach in working in partnership with the cities in the field of urban development – not acting as a remote authority, but as a partner in project development and implementation with a strong presence in the cities and an equally strong involvement in the relevant city networks and exchange processes.

http://www.eg-du.de
Getting things done: Profiting from knowledge and exchanging experience

As Member States and their cities and regions act in partnership with EU authorities, significant streams of finance can be unlocked through EU Structural Funds. This is now an essential source of finance for the urban policies of the Member States, but it also brings an equally important gain through the transfer of know-how and good practice.

At European level, the URBACT Programme supports the exchange of know-how and experience between key players in urban policies across Europe\(^{19}\). To date, after a first round of a call for proposals in 2007/2008, a number of 21 thematic networks and six working groups have been approved for funding under the URBACT II programme. These projects involve 253 partners, of which 181 are cities.

The INTERREG IV C Programme is another cooperation programme that provides funding for all regions of Europe plus Switzerland and Norway (regional and local public authorities) to exchange and transfer knowledge and good practice. Being part of the 2007-2013 European Territorial Cooperation Objective and building on the INTERREG III C Programme that ran from 2000 to 2006, INTERREG IV C enables regional and local (urban) actors across Europe to exchange experience, know-how and knowledge through interregional cooperation. This will also help to ensure that good practice, for example in the field of urban development policies, will be transferred and integrated in the mainstream Operational Programmes of the EU Structural Funds 2007-2013. This process is also fostered by the Regions for Economic Change Initiative.
**Promoting sustainable urban development in Europe**

**ACHIEVEMENTS AND OPPORTUNITIES**

**Thematic networks**
- Red: Lead partner
- Orange: Partner

**Working groups**
- Yellow: Lead partner
- Orange: Partner

**URBACT II projects** (March 2009)

© EuroGeographics Association for the administrative boundaries
Getting things done: Monitoring the progress

Where public resources are scarce and subject to conflicting demands, everyone needs to know that resources are being used to achieve the best possible impact. It is important to monitor the achievement of objectives and to manage progress, so that all those involved in implementing policies can see how to improve their effectiveness. This process can generate helpful lessons for other projects through regional, national and European dissemination of findings and elements of good practice. Over recent years, various forms of evaluating urban policy have emerged. Here they are illustrated in the context of the URBAN Community Initiative.

Pre-project (ex-ante) evaluation has been a general feature of URBAN programmes. Successful and pre-selected applications have always gone through an ex-ante evaluation, to check how specific problems that are identified for a certain area interrelate and how specified objectives will be met. Ex-ante evaluations have, in many cases, led to improvements in the integrated programmes and a more successful project design right from the start.

Mid-term evaluation has equally been a standard tool in all URBAN programmes. Each of the funded programmes has gone through a mid-term review that has led to a comprehensive consultation process. The findings and recommendations of the mid-term reviews have provided a basis for a structured debate with all the key local players and stakeholders. The regional authorities, as well as the European Commission, have been directly involved in that debate, to make sure that the findings and lessons learnt were shared amongst all those involved. The practical consequences of these mid-term evaluation exercises were taken into account during the final phase of implementation.

Ex-post evaluations have been carried out for individual URBAN programmes and have been of crucial importance at European level. At the end of the URBAN I Community Initiative, a comprehensive ex-post evaluation of all URBAN I programmes throughout Europe was carried out. This involved the European Commission, representatives from the Member States and a wide range of bodies at local level.

It was a very ambitious evaluation exercise, but it proved its worth through the very valuable recommendations that resulted for the design and implementation of all following URBAN II programmes. It has also had an impact on the general debate concerning urban policy in Europe and the future role of the EU in this field.

Some cities and regions have even gone a step further by carrying out their own monitoring of the implementation of their URBAN programmes. These assessments measure progress at certain points in the programmes’ life cycles and also track achievements at regular intervals. This allows certain projects to be redirected to improve performance on a continuous basis and to provide ongoing coaching and support.

Striving to capture new information

In the current programming period 2007-2013, a number of (new) criteria for the assessment of integrated urban development schemes could be applied by all stakeholders involved in urban initiatives and operations – building on the experience gathered in previous programmes and in URBAN I and II. The findings and results of previous initiatives suggest that the following questions could be asked during an assessment of future integrated projects and strategies in the field of urban development and regeneration:

- Do the initiatives for urban regeneration promote competitiveness in all European regions and cities, with an impact on the
surrounding neighbourhood, city and/or region that goes beyond the individual project?

- Do the urban operations create conditions where social inclusion and improved competitiveness can be achieved together?
- Do the urban initiatives empower deprived groups, with a special focus on the inclusion of ethnic minorities?
- Do the urban operations contribute to European environmental objectives – especially with regard to a reduction in the use of energy and the protection of the natural environment?
- Do the urban initiatives ensure that equal opportunities for men and women are embedded in urban policies?
- Do the urban development programmes take the challenges of demographic change into account – especially with regard to the fact that our urban societies are going to change dramatically in terms of age structure and ethnic composition?
- And finally, do the urban initiatives go further than individual projects, by establishing new and innovative forms of urban policy at local and regional level?

Key elements of sustainable urban development

Following the common European ‘Acquis Urbain’, sustainable urban development is reached best through integrated urban development plans developed around long-term visions for cities and neighbourhoods in their regional context. Area-based integrated development plans work best if they are embedded in city-wide strategies and supported by policies that are geared towards specific target groups. Plans can have a much higher impact if they look beyond the problems and capitalise on the potential of the area and the local population.

Successful approaches to urban regeneration and development do not divide problems and potential along the lines of administrative or political responsibilities, but treat and use them in an integrated and comprehensive way. This means in practical terms that the main topic of physical regeneration needs to be seen in context alongside social, economic, environmental and cultural aspects of urban life and development. This approach also requires the public and the private sector to work together, to cooperate with affected local communities and to involve them in collaborative action.

Financing must be secured over the mid-long term and include contributions from all stakeholders that have a vested interest in urban development strategies. The creation of revolving funds can help local authorities to be pro-active and influential over longer periods of time. The creation of Neighbourhood Funds can significantly support and improve the motivation of local communities to get and stay involved and to develop a sense of ownership for the development and regeneration process.

European Structural Funds and financial engineering tools such as JASPERS, JEREMIE, JESSICA and JASMINE can provide valuable additional finance for urban operations. Strategic mid-term and long-term urban development plans should allow sufficient time initially to get all partners involved. They should also design an Exit Strategy at an early stage to make sure that positive developments continue beyond the period of public-investment programmes. Monitoring and evaluation should be an integral part of each development plan. If they are jointly agreed and developed and backed up with clearly defined milestones, they allow measurement of progress, achievement and underachievement. This can then form the basis of any adjustments in policy to achieve the best possible use of all resources.

What are the key elements of sustainable urban development?

- Developing a city-wide vision that goes beyond each project and is embedded in the city-regional context (analysis of target areas; strategy building; defining long- and medium-term objectives, priorities, measures and projects);
- The integrated approach as an added value (strong ‘horizontal’, cross-sectoral coordination of urban regeneration measures and physical urban renewal as the main elements of an integrated approach to sustainable urban development, covering aspects of 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 with all relevant levels, coherence with European, national and regional objectives);
- Financing and investing to achieve a lasting impact; concentration of resources and funding on selected target areas;
- Creating strong local and regional partnerships (increased involvement of citizens and local and regional stakeholders, including the private sector; shared responsibilities, implementation bodies); new instruments of urban governance, administration and management;
- Capitalising 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).
CHAPTER 4

PERSPECTIVES ON THE FUTURE DEVELOPMENT OF EUROPEAN CITIES
In November 2008, the European Commission presented a consultation paper entitled ‘Regions 2020 – An assessment of future challenges for EU regions’. In the prospective Regions 2020 analysis, the Commission sketches out future challenges in the fields of globalisation, demographic change, climate change and energy. The document identifies and assesses the regional effects of these four future policy challenges in the medium-term perspective of 2020, as they will have a significant impact on Europe’s economies and societies and on decisions on where the EU should direct future efforts. In addition, Regions 2020 illustrates which regions are most vulnerable to these challenges, highlighting the potential pattern of regional disparities that globalisation, demographic change, climate change and energy will generate. The findings and predictions of Regions 2020 will be an important input in the design of Cohesion Policy after 2013.

In the context of Regions 2020, this last chapter shows why cities need to address the themes of globalisation, demographic change (including migration), climate change and energy, and it gives examples of how they are currently doing this. The perspectives on the future development of European cities also underline the necessity and added value of a common European methodology for sustainable and integrated urban development.

Cities in the context of globalisation

The ongoing process of globalisation and the exchange of people, goods, services and ideas create both new opportunities and economic, social, environmental, energy and security challenges. New opportunities include greater trade flows that induce economic growth. An increase in economic activity and productivity will also lead to increased employment, market opportunities for producers and entrepreneurs as well as demand for skilled labour. Consumers benefit from globalisation through lower prices and a wider choice of goods. On the downside, regions and local firms throughout the EU will feel a competitive pressure to restructure and adjust their economies due to globalisation. This situation promotes continuous innovation in products and human capital and may have a negative effect on wages, especially for low-skilled labour.

Cities are confronted with the need to restructure, modernise and facilitate continuous knowledge-based innovation if they are to confront the challenges of globalisation. They have to anticipate and facilitate the transition in economic structure from traditional industrial sectors towards new service-oriented and knowledge-based economies. Cities need to modernise and diversify their economic infrastructure by creating the conditions for business and in particular SMEs and they also need to promote cooperation networks with enterprises and research institutes.

At the same time, cities have to cope with the physical brownfields of structural changes as well as the social effects of globalisation.
ELAT: Eindhoven, Leuven, Aachen Technology Triangle

In forming ELAT, the cities of Eindhoven (Netherlands), Leuven (Belgium) and Aachen (Germany) developed and implemented a successful project to strengthen their position in the global market. As a high-tech location situated away from the larger centres of Utrecht, Brussels and Cologne, the transnational triangle offers leading skills and know-how in IT, biotechnology, life sciences, nanotechnology and car manufacturing. The region hosts the R&D centres of global players (Philips, Ford, Ericsson and Microsoft), research institutes (RWTH Aachen, Research Centre Jülich, FH Aachen) and universities (KU Leuven and TU Eindhoven). Those making up the partnership realised that by joining forces they could create a critical mass by using cooperation as a means to becoming a major region for technology.

Co-financed by the INTERREG III B programme, project partners helped entrepreneurs get their proposals ‘investment-ready’, raising awareness about potential investors in the Triangle area and identifying avenues for securing seed money and early-stage financing. As well as developing a 30-year Joint Transnational Innovation Strategy and Innovation Action Plan, the ELAT developed its benchmarking according to the European Innovation Scoreboard and produced an inventory of technology and business clusters, networks and communities.

It encouraged technology and business communities to stimulate new business development and supported firm growth by identifying synergies and complementarities. Coaching entrepreneurs and improving access to investors was key to getting start-ups to survive and prosper. The project focused on financial issues, particularly pre-seed, seed and early-stage financing, to make financial structures more robust. The project’s Entrepreneurial Course Programme encouraged cooperation between schools and universities, to produce high-profile practical studies on how to capitalise on entrepreneurial skills.

In March 2005, a joint declaration of intent between the government of the Netherlands and the government of the State of North Rhine-Westphalia (Germany) was signed to strengthen strategic cooperation in the areas of science, technology and innovation. This led the Dutch Ministry of Economic Affairs to launch a SWOT analysis of the most important cross-border clusters with Germany and Belgium, identifying high-tech systems and materials, food and nutrition, life sciences and medical technology.

http://www.elat.org

Because of a concentration of dynamic economic activity and a large share of highly skilled workforce, these regions should be able to respond relatively easily to the challenges of globalisation. Several European cities have also developed strong networks with other cities and successfully compete on global markets (see for example the case study on the ELAT network). However, particular attention should be paid to the negative effects of concentrated economic activity, such as congestion, urban sprawl and the pressure on natural resources and the ecosystem.

Under the URBACT II Programme, European cities also work together and exchange experience in urban development networks in order to successfully compete on global markets. Examples of these networks include:

- UNIC (Urban Network for Innovation in Ceramics)
- OPENCities (Openness and the Competitive Advantage of Diversity)
- RUnUP (Role of Universities in Urban Poles).

Both the opportunities and challenges of globalisation can be particularly felt in regions with urban centres and metropolitan areas.
Cities, demographic change and migration

Together with globalisation, energy and the environment, the demographic change and migration challenge is one of the most important issues confronting European cities and regions today and in the future.

Demographic change and the ageing society

European citizens are living longer and healthier lives. Although there are still differences in average life expectancy across the Member States, the projections are that life expectancy will continue to rise in all countries in coming years. However, this longevity is combined with a long-term fall in the birth rate, causing the level of dependence to rise. It is forecast that the ratio of retired people compared to those of working age will double by 2050.

By 2050, there may also be 48 million fewer people aged between 15 and 64, and 58 million more people over 65. From 2017 a shrinking workforce will also have negative economic repercussions and reduce overall employment⁶⁸. The European Commission has been working actively for several years to take forward this debate and in October 2006 laid down its proposals for a long-term policy response in a Communication, ‘The Demographic future of Europe – from challenge to opportunity’⁶⁹. A key observation of this Communication is that the magnitude and rhythm of population trends vary significantly from country to country and from region to region.

Declining fertility rates and increasing life expectancy have a big impact on all areas of public policy. In general, although this does not apply everywhere in Europe, the (financial) requirements for pensions, social security services and health care systems are continuing to rise. Coupled with this fact is the long-term trend of rural depopulation, bringing further pressure on city services, while rural areas struggle to maintain their populations due to a declining and ageing population.

The URBACT II Active A.G.E. network (Managing Change: Impact of demographic ageing for cities’ Active ageing, Gender and Employment policies) is currently developing an exchange of experience and know-how between the nine participating cities (from eight different Member States) that face an ageing population. The aim is to develop effective activation policies for older people⁷⁰.

Migration and immigration: Cities as focal points of an arising challenge

Immigration is a very complex phenomenon and a tremendous challenge for Europe’s cities and its local authorities, who are at the sharp end of integrating many different groups of people. Worldwide migration and international workforce mobility have increased considerably over recent decades. The challenge arises when the precise location of the out-migration or in-migration is spatially concentrated, as happens to be the case in many EU regions. The Urban Audit has shown that the population of non-EU residents in cities can be as high as 23% in France and 16% in Germany.

The average non-national population in the EU Member States is about 5.5% of the total population. Immigrant workers bring a wide variety of skills and experience to their new country and there are often new market opportunities for them to exploit within their local community. EU funding has been used very effectively by cities in supporting new ethnic businesses. On the downside however, there are greater hurdles for immigrants in entering the labour market, due to language and culture differences.
Growing cities can mean growing congestion. There is also a growing awareness that successful integration efforts need to start at the earliest possible level, especially focusing on pre-school and school activities. It is here that the pre-conditions and chances for successful integration of ethnic minorities into social and economic life in particular are created. At the same time, the current situation in European schools shows that there is a real challenge for current and future local policy. In primary schools, the proportion of children from families with a migration background is far higher than 50% in many European cities and especially in many deprived urban neighbourhoods.

Cities and the impacts of demographic change and migration

Despite a general trend towards ageing populations, it is expected that European cities and metropolitan regions will gain population due to a high inward migration of working age population, and that Europe will remain the leading destination for international migration in general. However, the outlook varies across Europe and it is expected that cities and metropolitan regions in several new Member States will continue to witness a decrease in population. Therefore, cities and their regions will face a broad range of specific challenges:

- The integration of migrants into the labour force and society;
- Adaptation of infrastructure;
- Social disparities and social polarisation;
- Increased ecological pressures in the region as a whole, due also to urban sprawl;
- Environmental problems in certain areas;
- A reinforcement of regional disparities in the economic growth potential.

Cities have to face the potential impacts of demographic change and provide answers to new and emerging problems. Growing cities tend towards suburbanisation, with all the attendant negative effects of increasing land use, rising house prices, social segregation and growing traffic and congestion. In shrinking cities and scarcely populated areas with an ageing population and a decreasing share of an active population, housing, industrial and retail markets, it becomes more and more difficult to provide services – not only for elderly and disabled people but also for young people and families (care, health and transport services, housing, education and training infrastructure, leisure facilities and cultural events).

It is worth repeating that, to achieve both competitiveness and social cohesion within urban development and regeneration programmes,
all core elements of the integrated approach to urban development must be brought to bear in the context of globalisation, demographic change and migration. This clearly demonstrates the need for and the usefulness of a common European methodology for sustainable and integrated urban development, as described in the previous chapter. For example, the MILE URBACT II Pilot Fast Track Network assists cities and regions in actively addressing and improving practices in relation to issues of migration and integration within their regional Operational Programmes.

Increasing energy efficiency, tackling climate change and combating urban sprawl

Most cities are confronted with a common core set of environmental problems, such as poor air quality, high levels of traffic and congestion, high levels of ambient noise, poor-quality built environment, derelict land, greenhouse gas emissions, urban sprawl, and the treatment of waste and waste-water. Changes in lifestyle lie at the heart of many of these issues, as people have increased their use of resources over the years. Moreover, problems with the quality of the urban environment are closely linked to poverty and socio-economic conditions. These are a reminder of how urban policy must deal with wider economic factors.

Energy efficiency and climate change

Climate change is a growing problem for cities. Local actions are important both in mitigation (slowing down the effects of climate change) and adaptation (protecting ourselves against the effects), placing cities at the forefront of climate-protection policies.

CASE STUDIES

Dublin Ballyfermot

FIGHTING AIR POLLUTION AND RAISING AWARENESS

Supported by the URBAN II programme for Ballyfermot, Dublin (Ireland) carried out a detailed air quality and noise assessment in Ballyfermot, aimed at determining the environmental noise levels and air pollutants to which the local population was exposed. A key objective of this study was to measure a number of air pollutants and assess air quality 20 years after the introduction of the ban on the burning of bituminous fuel.

An important benefit of the project as a first step in a communication strategy was to raise the understanding and awareness of potential environmental health impacts amongst the local population, with a view to capacity building and the development of agreed future actions to improve air quality and reduce the level of noise. The project also provided an initial user-friendly geographical information system, complete with population statistics, infrastructure and environmental details now available to the local community via a specialised website.

http://www.urbanbl.ie/priority3/air

‘Green Keys’

URBAN GREEN AS A DOOR-OPENER TO SUSTAINABLE CITIES

The INTERREG III B project ‘Green Keys’ has focused on people’s lack of appreciation of the value of green spaces, empty spaces and public areas for recreation, as well as the overall quality of life throughout Europe. It has aimed at providing measures to involve green-space strategies in urban planning, so as to achieve more sustainable development at local level.

The project involved 13 European cities across Europe in an exchange process. The interregional partnership developed a methodology with supportive tools to assist European cities in formulating their own Urban Green Space Strategies. The main outputs are reflected and included in the Manual ‘GreenKeys @ Your City – A Guide for Urban Green Quality’. http://www.greenkeys-project.net

Climate change can have a direct impact on cities, due to extreme weather conditions, floods, drought, soil damage and erosion, and it can cause severe structural damage. Cities are particularly vulnerable to these effects, and so citizens must be protected from risks to health and well-being. At the same time, cities have to reduce their environmental impact. Urban areas are major sources of greenhouse gas emissions, rising volumes of waste and increasing water consumption. Cities should thus be on the front line in the fight against climate change. Actions to save energy, cool without air conditioning, and reduce traffic and land use should be on every city’s agenda. In addition, the fight against climate
Urban sprawl is increasingly seen in European cities, particularly in the southern, eastern and central parts of Europe.

Good planning helps avoid wasteful urban sprawl.

European cities have traditionally been rather compact, not subject to urban sprawl, as compared with many North American cities. Nevertheless, urban sprawl is increasingly seen in European cities, particularly in the southern, eastern and central parts of Europe. It is thus important that cities develop a comprehensive and integrated set of policies to protect open areas around the city and encourage people to stay or come back to the city centre to live, work and invest (e.g. through long-term land-use planning, brownfield regeneration and revitalisation of the city-centre).
European cities will perform better when the European ‘Acquis Urbain’ is consolidated and the key elements of a common European methodology for sustainable urban development have been defined. In addition, contributions to a responsible, sustainable and prosperous development of Europe’s cities and regions will be most successful if they are undertaken in close cooperation with all political levels pursuing a common vision for the future development of European cities, making the best possible use of know-how, guidance and funding opportunities.

**SUSTAINMENT: Integrated Solutions for Sustainability Management in the Baltic Cities**

SUSTAINMENT aimed to respond to the needs and challenges of local authorities in achieving a more integrated sustainability process. The intention was to bring municipalities’ current sustainable development processes to the next level – to create models for Sustainability Management Centres (SMC). To do so, these SMCs, which have been created under the banner of this project, promote cross-sectoral policy integration and increased efficiency within city administrations in light of the differing circumstances found within the Baltic Sea Region. As a result, the project has provided models for integrated sustainability management for all European cities.

The project included cities in the Baltic Sea Region, as well as regional stakeholders interested in tackling this issue on a wider scale. In either case, the project enabled local authorities to develop their working methods and skills and bolster their personnel to significantly contribute to all dimensions of sustainable development within the city or region. One key aspect of SUSTAINMENT was learning how to support each other. External experts were used in training to bring in new information and know-how.

The SUSTAINMENT project focused on four main themes in order to build capacities for the creation of Sustainable Management Centres:

1. Management of the SMC as a strategic resource unit;
2. Governance for sustainability;
3. A tool for promoting sustainable development: a Project Portfolio Approach;
4. Promoting administration via strong and effective communication.

These four themes were thoroughly worked through during the main activities of the project, both via workshops and distance learning. The project resulted in a specific SMC development plan for each of the participating cities as well as a toolkit called ‘URBANworks’ for distribution and wider use. The project was co-financed by the European Regional Development Fund as part of the Baltic Sea Region INTERREG III B Neighbourhood Programme.

http://www.sustainment-project.net

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Net seeks to improve cooperation between cities and their surroundings by drawing up common programmes and recommendations on policy and financial instruments, so as to avoid urban sprawl and suburbanisation. To develop strategies for sustainable urban land-use management, the LUMASEC working group aims to set up a network of decision-makers in small- and medium-sized cities as well as local stakeholders from both the public and the private sectors.

**A common vision for the future development of European cities**

In recent decades, much has already been achieved in the development of innovative concepts and tools in the field of urban policy. The EU considers cities as the driving force behind economic development, building on a balance between competitiveness, strong social identities and environmental safeguards as a prerequisite for sustainable development. Today’s urban development policies are very comprehensive and include targeted, coordinated action at all levels, addressing current trends and challenges. However, as the last chapter also showed, there is still much work to be done.

European cities will perform better when the European ‘Acquis Urbain’ is consolidated and the key elements of a common European methodology for sustainable urban development have been defined. In addition, contributions to a responsible, sustainable and prosperous development of Europe’s cities and regions will be most successful if they are undertaken in close cooperation with all political levels pursuing a common vision for the future development of European cities, making the best possible use of know-how, guidance and funding opportunities.

“European cities will perform better when the European ‘Acquis Urbain’ is consolidated and the key elements of a common European methodology for sustainable urban development have been defined.”
‘Acquis Urbain’
Building on the experience of previous Community initiatives and programmes to support urban development and regeneration (such as the URBAN Community Initiative) and the principles for urban development policies established by the European Ministers for urban development, the process of creating new urban development strategies has led to the emergence of a common European ‘Acquis Urbain’ over the last decade. This includes the following key principles of sustainable urban development:

- The development of city-wide visions that go beyond each project and are embedded in the city-regional context;
- The integrated and cross-sectoral approach (horizontal and vertical coordination);
- The new instruments of urban governance, administration and management, including increased local responsibilities and strong local and regional partnerships;
- Financing and investing with lasting effects, concentration of resources and funding on selected target areas;
- Capitalising 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).

Cities and urban areas
This text uses the concepts of ‘cities’ and ‘urban areas’ in a generic sense. Definitions differ from one Member State to another and follow diverse approaches, from purely size-based to more functionally oriented definitions.

City-regions
Facing the challenge of city competition at various levels, many cities are beginning to work closely with their surrounding authorities and administrations to form ‘city-regions’. City-regions can offer a good framework for authorities to work together across a large urban area to coordinate developments and complex actions, to create a critical mass, to deliver integrated transport or to address skills shortages. The ‘city-region’ relationship may be mutually beneficial if it results in positive partnerships that can capture the full benefits both for the city and the region.

Cohesion Fund (CF)
Applying to Member States with a gross national income of less than 90% of the EU average, the Cohesion Fund co-finances projects in the field of transport and environment, including Trans-European Networks (TENs), energy efficiency and renewable energy.

Cohesion Policy / Regional Policy
Cohesion Policy is the EU’s strategy to promote and support the ‘overall harmonious development’ of its Member States and regions. Enshrined in the Treaty (Articles 158 to 162), Cohesion Policy aims to strengthen economic and social cohesion by reducing disparities in the level of development between regions. Approximately 35.7%, or €347 billion of the total EU budget 2007-2013, is allocated to financial instruments that support Cohesion Policy.

Convergence Objective
The ‘Convergence’ Objective is one of the three Cohesion Policy objectives for the period 2007-2013. It is to promote growth-enhancing conditions and factors leading to real convergence for the least-developed Member States and regions and it allocates 81.5% of the resources available for Cohesion Policy. It concerns regions characterised by low levels of GDP and employment, where GDP per head is less than 75% of the EU average as it stood between 2000 and 2002. Funded by the European Regional Development Fund (ERDF), the European Social Fund (ESF) and the Cohesion Fund (CF), it applies to 100 regions representing approximately 35% of the EU-27 population. It aims to promote conditions conducive to growth and which lead to convergence in the least-developed Member States and regions.

ESPON (European Spatial Planning Observation Network)
ESPON is an applied research programme bringing together the economic, social and environmental sectors, to name but three, all of which help compile territorial information that may be useful for drawing up territorial-development policies. To this end, the programme produces wide-ranging and systematic data on territorial trends across the EU, in order to identify the potential and economic challenges of regions, cities and larger territories. The ESPON Programme is part-financed by the ERDF under the European Territorial Cooperation Objective.

EU-12, EU-15 and EU-27
EU-12 stands for the 12 EU Member States that joined the European Union in 2004 and subsequently. EU-15 stands for the 15 EU Member States that joined the EU before 2004. EU-27 means all 27 Member States of the EU.

European Regional Development Fund (ERDF)
Together with the Cohesion Fund and the European Social Fund, this is one of three financial instruments of EU Cohesion Policy and the major source of financing to develop the internal potential of regions. The ERDF aims to strengthen economic and social cohesion in the EU by correcting imbalances between its regions. Set up in 1975, it contributes to the financing of productive investment, entrepreneurship, transport and environment infrastructure, research and technology, innovation, information society, sustainable development and other activities.

European Social Fund (ESF)
Created in 1957, this is one of the EU’s three cohesion instruments (together with the European Regional Development Fund and the Cohesion Fund) and the main EU source of financial support to develop employability and human resources.

European Spatial Development Perspective (ESDP)
The ESDP was officially adopted in Potsdam in May 1999 by the
Ministers of the 15 Member States responsible for spatial planning. The ESDP is a framework for policy guidance, designed to improve cooperation between Community sectoral policies impacting on spatial and territorial development. It also aims to improve the coordination of national policies in this field. One of the principles of the ESDP is the development of a balanced and polycentric urban system and a renewed relationship between cities and the countryside.

**European Territorial Cooperation Objective**

The European Territorial Cooperation Objective is one of the three Cohesion Policy objectives of the period 2007-2013 and allocates 2.5% of the resources available for Cohesion Policy. This objective aims to strengthen cross-border, transnational and interregional cooperation across Europe, based on the 2000-2006 INTERREG Community Initiative. It encourages regions and cities from different EU Member States to work together and learn from each other through joint programmes, projects and networks and provides a framework for exchanging experience between regional and local bodies. It also aims to promote common solutions for neighbouring authorities in the fields of urban, rural and coastal development, the development of economic relations and the creation of networks of small- and medium-sized enterprises (SMEs).

**Integrated urban development and Integrated Urban Development Plan (IUDP)**

Complex challenges in urban areas require complex cross-sectoral, holistic solutions. Integrated urban development seeks to coordinate the different sectoral policies that have an impact on cities and city-dwellers, and it means the simultaneous and fair consideration of concerns and interests which are of relevance to urban development. Strong local involvement and public participation in the design and implementation of cross-sectoral projects and programmes is therefore essential. Citizens need to play an active role in shaping their immediate environment. Strongly promoted through the URBAN Community Initiative and the Leipzig Charter on Sustainable European Cities, the approach to ‘integrated urban development’ became a guiding methodological principle across the European Union, often implemented on the basis of integrated urban development plans or strategies.

Operational Programmes (OPs) at national or regional level allow for sustainable mid- and long-term urban development strategies, as an OP puts such strategies in the framework of a mid-term regional planning strategy and a reliable financial background. Many new Member States have chosen to co-finance Integrated Urban Development Plans (IUDPs) within the first implementation phase of EU Structural Funds for 2007-2013. An IUDP serves as a policy tool, ensuring the successful implementation of EU Structural Funds to the benefit of towns and cities.

**INTERREG**

INTERREG III was an integral part of the European Union’s Regional Policy for 2000-2006. It aimed to improve economic and social cohesion by supporting cross-border, transnational and interregional cooperation. The goal was to promote balanced development across the EU. Drawing finance from the European Regional Development Fund (ERDF), the initiative focused on developing actions to strengthen links across borders between Member States and the EU and its non-member neighbours.

Approved for the period 2007-2013, the interregional cooperation programme INTERREG IV C provides Community support under the European Territorial Cooperation Objective. INTERREG IV C provides regions with a framework for the exchange of experience between regional, local and urban bodies from different EU Member States, Norway and Switzerland on issues such as globalisation, demographic change, energy supply and climate change.

**National Strategic Reference Framework (NSRF)**

When programming the Structural and Cohesion Funds’ interventions for 2007-2013, Member States had to present a NSRF which ensures that the interventions are in line with the Community strategic guidelines on cohesion.

**Operational Programme (OP)**

This is a document setting out a Member State’s or a region’s development strategy, with a coherent set of priorities to be achieved through one of the Structural or Cohesion Fund instruments. It is submitted to the European Commission.

**Regional Competitiveness and Employment Objective**

The Regional Competitiveness and Employment Objective is one of the three Cohesion Policy objectives for the period 2007-2013 and allocates 19% of the resources available for Cohesion Policy. Outside the least-developed regions (see the Convergence Objective), it aims to strengthen regions’ competitiveness and attractiveness and employment potential. Regional Competitiveness and Employment Objective funding is available to the EU regions that are not eligible for funding under the Convergence Objective: this applies to 168 regions, representing almost 65% of the EU-27 population. Funded by the European Regional Development Fund (ERDF) and the European Social Fund (ESF), it aims to enhance the competitiveness and attractiveness of regions, as well as boost their employment levels.

**Regions for Economic Change (RFEC) and Fast Track Label (Fast Track Networks - FTN)**

The Regions for Economic Change (RFEC) Initiative seeks to strengthen exchange of experience and best practice in innovation by introducing new ways to stimulate regional and urban networks. Under the European Territorial Cooperation Objective, the initiative allows good innovative ideas to be disseminated rapidly to the Operational Programmes under the Convergence and Regional Competitiveness and Employment Objectives. The RFEC includes the option of granting a so-called ‘Fast Track Label’ to regional or urban networks. The label implies that selected networks maintained by the Commission provide a rapid testing ground for policy ideas. Seven of the 24 thematic networks of the URBACT II Programme are labelled as ‘Fast Track’.
Territorial Cohesion
Territorial Cohesion is about reducing disparities in levels of development that exist between different regions and about promoting the diverse potential of Europe’s territories in order to contribute to the EU’s Lisbon and the Sustainable Development Strategies. While it concerns Cohesion Policy, it also raises questions about the nature of territorial cooperation, how people use the spaces in which they live, the territorial impact of sectoral policies, and the relationship between cooperation and competitiveness.

The territorial dimension has been at the core of Cohesion Policy since its inception – through the system of eligibility, or the system of distribution of financial resources, or the way in which programming has been organised. To improve the way public policies address territorial needs, the European Commission launched the debate on Territorial Cohesion by publishing the Green Paper on Territorial Cohesion in October 2008.

The Four J’s (JEREMIE, JESSICA, JASPERS, JASMINE)
The four J’s are four new financial engineering tools that are offered at European level:

• JASPERS (Joint Assistance in Supporting Projects in European Regions) provides free assistance to Member States for preparing proposals for large projects;
• JEREMIE (Joint European Resources for Micro to Medium Enterprises) enables the Managing Authorities of Structural Funds programmes to promote increased access to finance for the development of micro, small and medium-sized enterprises in the regions of the EU;
• JESSICA (Joint European Support for Sustainable Investment in City Areas) promotes sustainable investment in Europe’s urban areas and enables the Managing Authorities of Structural Funds programmes to take advantage of outside expertise and have greater access to loan capital provided by urban development funds;
• JASMINE (Joint Action to Support Micro-Finance Institutions in Europe) seeks to improve access to finance for small businesses and for socially excluded people, as well as ethnic minorities, who want to become self-employed.

URBACT
The URBACT II Programme falls under the Territorial Cooperation Objective and runs from 2007 to 2013. The aim of the network programme is to stimulate innovation in urban development by encouraging towns and cities to identify, transfer and disseminate good practice and share experience. As a key part of the Regions for Economic Change Initiative, URBACT II follows on from the 2002-2006 URBACT programme.

URBAN Community Initiatives
Between 1994 and 1999, the URBAN I Community Initiative financed programmes in 118 urban areas with Community assistance totalling €900 million. Projects focused on the redevelopment of infrastructure, job creation, combating social exclusion and environmental improvements. Between 2000 and 2006, the URBAN II Community Initiative continued this effort and commitment to European cities in their search for the best development and regeneration strategies. A total of €730 million has been invested in sustainable economic and social regeneration in 70 urban areas throughout Europe, with the support of this Community Initiative.

Urban Audit
Launched by the European Commission in 1998, the Urban Audit aims to enable an assessment of the state of individual EU cities and to provide access to comparative information from those cities. The second full-scale Urban Audit took place between 2006 and 2007 and involved 321 European cities in the 267 regions of the EU, along with 36 additional cities in Norway, Switzerland and Turkey.

URBAN mainstreaming
For the 2007-2013 programming period, the guiding principles of the URBAN Community Initiatives have been integrated into the Operational Programmes of the Convergence and Regional Competitiveness and Employment Objectives (‘mainstreaming’). This important change allows for an integration of different sectoral and thematic policies in all cities throughout Europe in the context of the Lisbon Strategy, the Sustainable Development Strategy and other EU priorities. It means that Member States and regions can continue to apply the successful integrated approach of the URBAN Community Initiatives and can invest in towns and cities through ‘mainstream’ Cohesion Policy Programmes.

Urban policy
Urban policy refers to policies that promote urban development, urban regeneration (or urban renewal) and urban revitalisation at various levels.

Urban sprawl
Urban sprawl is increasingly seen in European cities and is synonymous with unplanned urban development, characterised by a low-density mix of land use on the urban fringe. It results in territorial development that is patchy, scattered and strung out, with a tendency for discontinuity. Urban sprawl leapfrogs areas, leaving agricultural enclaves. In the city itself, this sprawl results in some areas being left empty. Ad-hoc development of this kind is wasteful and tends to have a negative impact on the environment.

14 Besides the Commission’s direct initiatives on urban policy, several actions have a more indirect impact on urban development, but nevertheless included a strong urban dimension, examples being the INTERREG Programme with its three strands of cross-border, transnational and interregional cooperation, (http://ec.europa.eu/regional_policy/opinion/index_en.htm), the INTERACT Programme (Regions and Cities for Europe), the INTERACT Programme to promote and support good governance of European Territorial Cooperation Programmes (http://www.interact.eu/), the ECOS-Ouverture Programme for local and regional partnerships to face the political, social and economic challenges. Co-financial support has increased since the Fall of the Berlin Wall in Central and Eastern Europe (http://ec.europa.eu/regional_policy/opinion/index_en.htm).


16 The ‘Quartiers en Cité’ European Regional Development Area Network is a Community of regional and local regeneration areas established in 1987, promoting (policy) development of regeneration areas. It especially focuses on challenges faced by member organisations working in those areas, such as public bodies, NGOs and research institutions. Website: http://www.epen-euro/index.htm.

17 The RECTE 1 (1992-1998) and RECTE 1 (1998-2001) Programmes supported the exchange of experience between the local authorities of different Member States through exchange of know-how and working methods with the aim of enhancing institutional capacities and the realisation of pilot actions in the field of urban development policies.


21 European Commission (Working document of the Directorate-General for Regional Policy), Fostering the urban dimension – Analysis of the Operational Programmes co-financed by the European Regional Development Fund (2007-2013), Brussels, 25 November 2008, p. 3, 12-13 Article 8 of Regulation (EC) No 1080/2006 of the European Parliament and of the Council of 5 July 2006 on the European Regional Development Fund and repealing Regulation (EC) No 1783/1999 states: ‘[…] the EDFP may, where appropriate, support the development of participative, integrated and sustainable strategies to tackle the high concentration of economic, environmental and social problems affecting urban areas. These strategies shall promote sustainable urban development through activities such as: strengthening economic growth, the rehabilitation of the physical environment, brownfield redevelopment, the preservation and development of natural and cultural heritage, the promotion of re-employment and community development, and the provision of services to the population taking account of changing demographic structures. […]’.


28 http://urbact.eu/


30 http://www.urbanaudit.org/

31 http://www.urbanaudit.org/


Federal Ministry of Transport, Building and Urban Affairs (Germany), Strengthening the Local Economy and the Local Labour Market in Dependent Urban Areas, Good Practice Examples on Urban Policy (Background Study on the Leipzig Charter on Sustainable European Cities, completed by the URBACT Secretariat, March 2007, p. 13-26.


http://urbact.eu/


http://urbact.eu/en/ci/index

http://urbact.eu/operatives/

http://urbact.eu/en/age


http://ec.europa.eu/energy/renewables/index_en.htm

http://ec.europa.eu/energy/intelligent/

http://ec.europa.eu/environment/air/index_en.htm


http://www.civitas-initiative.org/


http://urbact.eu/

http://urbact.eu/urbanex/
With over 70% of Europeans living in urban areas, cities and metropolitan areas are the motors of economic growth and home to most jobs. They play a key role as centres of innovation and the knowledge economy. At the same time, urban areas are the frontline in the battle for social cohesion and environmental sustainability. The development of disadvantaged urban areas is an important step in unleashing economic powers by creating more cohesive and attractive cities.

Promoting sustainable urban development is a key element of European Cohesion Policy seeking to exploit Europe’s full economic potential. Building on the experience and strengths of the URBAN Community Initiative and the European ‘Acquis Urbain’, Member States and regions have the possibility to design, program and implement tailor-made, integrated development operations in all European cities.

This brochure takes stock of what has been achieved so far. By reflecting on the key principles of integrated urban development, by giving examples from across the European Union and by sketching a few paths forward, the brochure provides both guidance for the less-experienced and inspiration for the well-experienced.

Infregio
Consult the Infregio website for an overview of EU European Regional Policy:
http://ec.europa.eu/regional_policy/
regio-info@ec.europa.eu