Representatives of Alba Iulia presented their current work on their Integrated Sustainable Urban Development Strategy during the Peer Review workshop organised by the Urban Development Network and hosted by the Network of Finnish cities on 26-27 October 2017. The presentation was followed by peer discussions and feedback, which have provided the basis for this report.
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PART 1 | Peer Review Approach

The Peer Review Methodology

The UDN Peer review approach builds on the S3 Peer review methodology that has been developed by the S3 Platform of the Joint Research Centre (JRC) of the European Commission as a mutual learning tool for sharing, exploring and integrating policy knowledge in the context of regional and national Smart Specialisation Strategies. The S3 Peer review methodology has proven to be an effective tool in creating an open and trusted learning environment where practical and conceptual aspects of policy design and implementation can be discussed and explored through challenges and experiences of individual contexts. It has therefore been chosen to be experimentally applied at the city level to promote mutual learning and knowledge dissemination in the scope of the Integrated Sustainable Urban Development Strategies foreseen in Article 7 of Regulation 1301/2013 on European Regional Development Funds (ERDF). DG REGIO and JRC are the two EC services collaborating for the implementation of the UDN Peer review methodology.

Objectives and Expected Outcomes

One objective of the Peer review is to allow participating cities and regions to meet their peers, European Commission staff, academic experts and others to discuss common issues and challenges related to their current work on Integrated Sustainable Urban Development Strategies. The second objective is to allow cities to get involved into first-hand evaluation experience and use the peer review outcomes to further improve their own strategies. The third objective is to support the creation of a community of practice in an open and trusted learning environment by discussing practical ways to address common problems.

About the UDN Peer Review Workshop

The UDN Peer review concentrates activities both in time and space by allowing a number of Article 7 strategies to be reviewed simultaneously by peers from across Europe. It runs over two days and it takes place in one of the cities under review, which co-hosts the event together with the European Commission. The workshop brings together urban as well as regional and national authorities for mutual learning and exploration of ways in which Integrated Sustainable Urban Development under Article 7 can be developed and implemented. The UDN Peer review is based on a participative approach that encourages all participants to engage in dynamic and creative discussions, which benefits both the cities under review and their peers. A presentation of each city's current work on Article 7 is followed by a Q&A session, and a number of simultaneous discussions of specific issues highlighted during the presentation. They are organised around individual peer review sessions that focus on one city strategy and last around three hours. Discussions are focused on specific challenges and objectives experienced by cities under review. Specific issues are examined in small groups in three iterations, which ensure that participants can build shared cognitive frameworks of those challenges and to discover good practices as well as bad experiences starting from personal and professional views on problems/issues and integrating expertise and knowledge from a variety of sources.
The UDN Peer review identifies different categories of actors, and appoints them with specific roles:

Participants from cities under peer review. Policy-makers at city strategy level are invited to represent their city at the workshop to allow for simultaneous discussions (separate discussion tables). They present the current state of work and their integrated urban strategy and identify three questions they want to pose to the peers.

Critical friends. Representatives from cities and national/regional governments in charge of the implementation of Integrated Sustainable Urban Development Strategies take part as peers. All peers at the workshop have the role of a critical friend, providing critical (yet friendly) advice and sharing their different knowledge and experience. The city being reviewed in one session acts as a critical friend in the next sessions.

Critical buddies. City representatives who have gone through a peer review session before are given the role of selected peers ('critical buddies'). They bring their previous experience in the workshop and are asked to provide additional and structured feedback to cities under review.

Invited experts. The European Commission invites experts to the Peer-review workshop to support the cities under review in the preparatory phase of the peer review, notably by helping in the drafting of questions and in reviewing the cities' presentations and background documents.

European Commission staff. The UDN of the European Commission is responsible for the organisation of the peer-review workshop. Prior to the peer-review workshop, the UDN provides all critical friends registered for the workshop with the background documents and the online survey to allow them to prepare for the workshop.

**Structure of the UDN Peer review**

Three cities presented their strategies and were peer-reviewed:

1. The network of Finnish cities (Helsinki, Espoo, Tampere, Vantaa, Oulu and Turku);
2. Toulon;
3. Alba Iulia.

The Peer review workshop included three phases: preparation, workshop discussions, and workshop follow-up.

**Before the Peer review workshop – Preparation**

Prior to their workshop, each city under review had been working on: 1. Presentation on their existing Integrated Sustainable Urban Development Strategy; 2. Background document with relevant information on the city context and 3. Self-assessment questionnaire.

The first two documents outline the main element of each ISUDS and specific questions to guide and focus further discussions. In addition, each reviewed city carried out a comprehensive self-assessment of its current work on ISUDS. This assessment covers eight principal areas: Integrated approach, Outward-looking dimension, Analytical work behind the development strategy, Stakeholder engagement, Shared vision, Action plan, Policy coordination, Policy mix and funding scheme, Framework for delivery:
governance and monitoring system. This assessment exercise allows urban authorities to examine their strategy from the perspective of an external observer.

**DURING THE PEER REVIEW WORKSHOP - WORKSHOP DISCUSSIONS**

The Peer review workshop ran for one and half-days (on 26 and 27 October 2017). The agenda was structured with plenary and parallel sessions. In addition, Day 1 included a site-visit to Kalasatama area, an experimental district in Helsinki to co-create smart urban infrastructure and services. Plenary sessions aimed at providing general and technical information and at summing up the main outcomes of the Peer review workshop.

Parallel sessions were devoted to peer reviews and organised in the following phases:

1. Presentation by the city under review and Question & Answer;
2. Table discussions around the questions/issues posed by the presenter;
3. Collection of results and closing comments by the city under review.

Each peer review session developed along the following lines:

In the presentation, the city under review was asked to identify three questions they thought were relevant to be discussed among their peers in three different round tables (two times three in the case of the host Finnish cities).

Each round table was asked to develop the proposed question in three iterations, which ensured that participants could: (1) work together to better understand the actual problem behind each issue and frame it according to their view of the problem as well as their experience; (2) provide policy advice and propose solutions to these problems by discussing what worked well (good practices) and what did not work; and (3) learn together how to deal with new policy issues in different contexts as relevant lessons to take home.

All peers were asked to join one of the round tables. At each table also sat: one of the invited experts acting as table moderator or/and a European Commission staff member, as well as a representative from the city under review to take a full advantage of the discussions and to answer any questions. Once each table finished its discussion, a rapporteur of the table presented the results of discussions to the other round tables. At the end of each peer review session, the reviewed city was invited to reflect on the results of the discussions.

The parallel sessions on day 2 were followed by a plenary where invited experts and cities under review were asked to exchange feedback and reflect on Lessons Learnt. This allowed the three cities under review to share impressions and main outcomes of the workshop, discuss follow-ups and draw joint conclusions together with experts, peers and European Commission staff.

**AFTER THE PEER REVIEW WORKSHOP - FOLLOW-UP**

After the Peer review workshop, all participants receive the Feedback Report which summarises results of table discussion and reflections, discusses any existing shortcomings in the reviewed strategy and offers relevant recommendations. Experts, critical buddies and peers were asked to fill in additional questionnaires that partially fed into the content of this report.

The link to the peer review workshop's website including all the presentations and Feedback Reports is available here: [http://ec.europa.eu/regional_policy/en/conferences/udn_espo/](http://ec.europa.eu/regional_policy/en/conferences/udn_espo/)
PART 2 | CURRENT WORK ON THE INTEGRATED SUSTAINABLE URBAN DEVELOPMENT STRATEGY

ABOUT THE CITY CONTEXT IN BRIEF

Alba Iulia is a city of 74,000 inhabitants located in Transylvania, at the center of Romania. Its social and economic profile are similar to the average profile of the region (Transylvania): a relatively low unemployment rate compared to national figures, an economic structure typical to the post-communist transition, an ageing population with a high demographic dependency ratio, but with increasing population (which is different from the national trend).

Alba Iulia has the highest EU fund absorption rate per capita in Romania - 150 million euros were attracted to the city in the last 10 years. The credit rating of the Municipality, according to Moody's¹, was "Ba1" with positive outlook in 2015 (the first city in Romania to have a credit rating). Alba Iulia also is the only Romanian city to have had a technical assistance agreement with the World Bank. More than 700 employees work for the Municipality.

Map 1: Location of Alba Iulia in the Central Region of Romania

¹ https://www.moodys.com/
Benchmark analysis of the city with regard to other countries and cities in the EU and beyond.

Even though only 50.7% of the population is economically active, this figure is higher than the national average (45.6%) as well as the regional average (45.2%). Alba County had the 4th highest unemployment rate (5.08%) in Transylvania at the end of 2016 (the lowest was 3.41% and the highest was 5.76%). In 2016, Alba County had the 3rd highest growth rate in Romania (5.8%), while its GDP per capita was in line with the national average.

The Central Development Region (where Alba County and Alba Iulia city belong) is comparable in terms of income per head with regions such as Del-Dunantul and Del Alfold (Hungary), Swietokrzyskie, Warminsko Mazurskie (Poland) or Vychodne Slovensko (Slovakia). According to Eurostat, in 2014 the Central Development Region reached 52% of the EU average GDP per capita but still was one of the less economically developed NUTS 3 regions in Europe. In the same year, the Region ranked 3rd in Romania (out of 8 regions) in terms of total GDP (73.81 billion RON, which is 11.07% of the total GDP of Romania).

The current state of play regarding the five challenges affecting urban areas (Article 7, Reg. 1301/2013)

- Economy

The economic background of Alba Iulia is typical of the post-communist transition from a planned economy to market capitalism. Heavy industry was replaced by new economic agents – local businesses and foreign investors. The local economy is service-oriented (with a large number of family-owned small businesses) with significant representation of light industry (mainly dominated by foreign investments).

One of the most important growth sectors in Alba Iulia is tourism and hospitality. The number of tourists who use accommodation in the city has increased by 250% since 2011. The secondary sector in Alba Iulia mainly comprises food industries, wood processing, light manufacturing and fine ceramics. There is growth potential in the automotive industry and in wood processing as Alba County is one of the most important wood providers in Romania and 33.1% of the county territory is covered by forests.

- Society

The population census of 2011 showed that only 50.7% of the total population of Alba Iulia is economically active. Another 21.2% are retired persons, 14.3% students and 8.1% persons taken care of by their families. The high percentage of retired persons is partly due to a very common employee practice in the 1990s: retiring before the age limit in a context where large factories were going bankrupt.

The unemployment rate has dropped in Alba Iulia in the last few years and stood at 6.7% at the end of 2016. The main ethnic minorities in Alba Iulia are the Roma (1.76%) and the Hungarians (1.59%). Homelessness is addressed by a dedicated night shelter with 56 places. Single-parent families are also becoming more prevalent and various social centers offer support. The school dropout rate for Alba County was 8.8% in 2015 for 6-14-years old – this problem is tackled in Alba Iulia by a network of centers run by the Romanian Orthodox Church.

- Demography

In the beginning of 2017, there were 74,425 inhabitants in Alba Iulia, up by more than 10,000 persons since 2011. The gender distribution is 906 men for 1000 women. Average life expectancy in 2016 was 76.08 years, while the birth rate was 8.13‰. Total demographic dependency ratio is 35.11% due to the high percentage of retirees. In comparison, the situation at national level is the following: 947 men for 1000 women; 74.96 years average life expectancy; 8.6‰ birth rate and a demographic dependency ratio of 47%.
**Environment**

There were 154 ha of green space in Alba Iulia. This is an average of 20m² of green space/inhabitant, while the target for 2020 is 26m²/inhabitant. The Municipality’s Action Plan for Sustainable Energy aims at reducing CO2 emissions by 24% by 2020, compared to 2008. Solar energy and biomass (wood especially) have significant growth potential.

**Adaptation to climate change**

Alba Iulia is a member in the Covenant of Mayors and has drafted an Action Plan for Sustainable Energy. As part of the Covenant of Mayors, the Municipality has joined the Climate Partnership – a local platform for dialogue and action in the field of climate change, which facilitates networking and provides access to dedicated funding opportunities.

**KEY ELEMENTS OF THE ISUD STRATEGY**

The central vision of the Integrated Sustainable Urban Development Strategy (ISUDS) of Alba Iulia is to transform Alba Iulia into a city for people: a better place to live, to work, to invest and to visit. The intervention area of the ISUDS (Map 2) is the same as the administrative territory of Alba Iulia. The strategic objectives of Alba Iulia's ISUDS are related to the five challenges affecting urban areas as identified in Article 7 (Regulation 1301/2013) and are formulated as follows:

1. Sustainable, intelligent and competitive economic growth
2. Inclusive social development
3. Climate change adaptation
4. Encouraging and maintaining demographic balance
5. A sustainable, clean and green urban environment

Map 2: Alba Iulia’s ISUDS intervention area (delineated in black)

Projects within the ISUDS intervention area are located according to their specificity (i.e. urban mobility projects in areas of high public transport infrastructure needs, social projects in socially deprived areas etc.). According to the ISUDS’ city audit, the main community needs in Alba Iulia, structured around the five challenges of Article 7, are the following:

- Economy: intelligent, innovation-based growth, also based on sustainable cultural tourism
- Society: inclusive infrastructure in education, health, social services, housing, as well as an effective and transparent administration
- Climate change: extend green spaces and build adequate river embankments
- Demography: encourage natality and tackle ageing
- Environment: develop urban mobility as a service, regenerate public spaces, promote energy efficiency and green energy production
The strategic objectives of the ISUDS were formulated in order to address these precise needs. The main policy challenges encountered by Alba Iulia Municipality are: the harmonization of national regulations regarding Article 7 implementation with local needs; to cooperate with external partners/stakeholders and motivate them during ISUDS implementation; to fund innovative actions which are not eligible under the ERDF-Romanian Operational Programme but which are not innovative enough to be funded via Urban Innovative Actions\(^2\) either.

**ISUDS eligibility selection principles (pre-selection, competition, on-going selection).**

The Managing Authority for the Regional Operational Programme has issued compulsory instructions on the structure and content of ISUDS. Selection is done via a non-competitive mechanism. Every county seat municipality in Romania submits the ISUDS to their respective Agency for Regional Development. The eligibility criteria comprise administrative checks and quality checks, both following the requirements of the Managing Authority.

The ISUDS elaborated by the Municipality of Alba Iulia under Art. 7 was in the eligibility check phase at the time of the workshop. Meanwhile, the Agency for Regional Development responsible for the Central Region of Romania - the level 1 Intermediate Body as shown in Diagram 1 (p.10) - gave a positive answer on the matter. Once the Alba Iulia ISUDS was declared eligible, the Municipality chose, from the project portfolio of the ISUDS, those projects which can be financed via Priority Axis 4 of the Regional Operational Programme (ROP). The Municipality then drafted summaries for the most important of those projects (according to a standard structure provided by the Managing Authority). The Urban Authority, as a Level 2 Intermediate Body, analysed those summaries, selected and prioritized them (according to a methodology provided by the Managing Authority), therefore indicating which projects the Municipality should submit under Priority Axis 4 (as shown in diagram 1).

**Overall budget allocated to Art. 7 for 2014-2020**

European Regional Development Fund = 10.73 billion euros for Romania
European Social Fund = 819 million euros for Romania
Cohesion Fund = 6.93 billion euros for Romania
Total funds allocated for article 7 to Alba Iulia: between 75-80 million euros for 2014-2020

**Description of the governance context – roles and responsibilities of different agencies**

a) **Strategy drafting:**

1\(^{st}\) phase (2013-2014): The ISUDS of Alba Iulia was drafted as part of a project funded by the South East Europe Programme, with 21 transnational partners and with a total budget of 1.874.105,00 €, out of which, 1.459.131,25 € were ERDF contribution. Within this project, Alba Iulia benefited from funds in order to draft an ISUDS: the Municipality hired 4 experts from the local university (strategists, economists, sociologists, urban development experts) who made a city audit, using evidence and data from local/regional public and private institutions.

Then, the Municipality organized 4 workshops of 1-3 days each, between October 2013 and July 2014. A total of 235 persons were involved (civil society organizations, academia members, private companies’ representatives, citizens, students and youngsters etc.). Community needs, solutions and specific actions in the field of urban development were identified during those workshops. Eventually, an Urban Working

Group and an Urban Centre were established in order to follow up with the upcoming strategy elaboration and implementation. The first version of the ISUDS was completed in 2014.

2nd phase (2017): the Managing Authority of the ROP created Priority Axis 4 in order to implement Art. 7. The county seat municipalities (as sole eligible beneficiaries under this priority axis) were asked to draft an ISUDS that followed the compulsory structure and content specified by the Managing Authority. This was a pre-condition to access the funds that were pre-allocated for them, on the basis of a non-competitive mechanism. Therefore, Alba Iulia had to update the 2014 version of its ISUDS. The update work did not benefit from any additional funding and was done by the Municipality’s employees.

b) Strategy implementation:

The implementation mechanism comprises:

- a core structure within the Municipality, formed by Municipality employees, which includes
  - an ISUDS manager (the City Manager);
  - an ISUDS assistant manager (the Programming Director of the Municipality);
  - a financial expert (the director of the economic department);
  - a legal expert (the director of the legal department);
  - several technical experts (the director of the technical department, the chiefs of investment, public works, roads administration and public utilities departments);
  - a public procurement expert (the director of the public procurement department);
  - an urbanism expert (the director of the urbanism department);
  - communication and information experts (from the department of international relations and civil society partnerships),
  - other experts, from various Municipal units: local heritage management; public domain administration and maintenance; sport facilities management; land register and agriculture; local police; public service of personal records; public service of social assistance.

- an external structure formed by external representatives:
  - regional and local public bodies (for example those dealing with unemployment and workforce, companies house, public finances, public health and education, the county council, other neighbouring municipalities, the chamber of commerce and industry, the regional authority for health insurance, the regional environmental police etc.)
  - academics from the local university
  - public culture institutions (local museums, public libraries)
  - utility and service providers (water, gas and electricity, public transportation)
  - civil society organisations, religious organizations, trade unions
  - economic agents from various sectors (hospitality sector, telecommunications, professional training providers, social services providers, real estate)

A dedicated secretariat was formed in order to coordinate the cooperation between the two levels of ISUDS implementation, as well as between Municipality departments. Invitations for discussions were sent to external representatives whenever necessary; progress reports were drawn up twice a year. Moreover, for projects that can be found in the ISUDS portfolio but for which the Municipality does not have the necessary competence, assistance was provided to the competent bodies/ institutions/ stakeholders.
Other collaborative partnerships promoted via Article 7

The process of implementing Article 7 has fostered collaborative partnerships among government, knowledge institutions, the private sector and civil society and it is expected to incentivize such initiatives even more in the future. For the drafting of ISUDS by the municipalities, representatives from all civil society members were involved and consulted (see, for instance, the description of the drafting process of Alba Iulia’s ISUDS). During the implementation of the projects proposed by Alba Iulia’s ISUDS, cross-sectoral cooperation will be a matter of course. The ISUDS project portfolio in the municipality of Alba Iulia, is a mix of projects and not all of them are to be implemented by the Municipality itself. For the projects whose implementation is going to be the responsibility of other partners, a cooperation framework with Alba Iulia municipality has already been put in place.

Description of implemented actions (implementation stage, timeframe etc.)

The ISUDS was first drafted in 2013-2014, updated in 2017 and submitted to public consultation procedure. It is now in the eligibility check stage. The Strategy covers the period 2014-2023, in order to give time to projects which started in 2014-2020 to materialize. The geographical implementation area of ISUDS projects is the territory of Alba Iulia city – small exceptions are made from this geographical limitation when the project ideas require this. For instance, clusters in the field of industry or tourism, large infrastructure investments or the extension of broadband connection are more beneficial for the city and the neighboring area. As a first step, actions were prioritized according to the needs identified in the community through social research conducted annually in collaboration with the local university.

Innovative aspects
One of the innovative aspects of the ISUDS drafting process was the use of a scientific tool created by local sociologists. Alba Iulia used the Local Community Barometer in order to gauge the public’s views on the general development directions of the city as well as on specific projects.

**Intervention rationale, monitoring and evaluation**
Alba Iulia’s ISUDS has five general objectives, each of them related to one of the five challenges identified in Article 7.

The Strategy’s implementation plan provides for regular monitoring and frequent evaluations, including progress reports twice a year. A dedicated secretariat was established and charged with managing the relation between external partners and the core team of the Municipality which implements the ISUDS.

From one strategy to another, from one project to another, ongoing monitoring and evaluation has helped the Municipality to

- identify new working tools, for example on stakeholder engagement and public consultation
- forge new collaborative arrangements, from public-private local partnerships to relationships with international experts in the field of urban development, such as Jan Gehl or World Bank specialists.
- focus on new projects which build on past achievements in order to address new challenges and needs, in subjects like cultural tourism, smart city, energy or sustainable mobility.
PART 3 | SUMMARY OF DISCUSSIONS

THE PEER REVIEW SESSION OF ALBA IULIA

The peer review session of Alba Iulia in 27 October 2017 was a parallel session and included around 30 participants from across Europe. For the discussions, the participants were grouped into separate roundtables, comprising a mix of representatives from different cities, regions and organisations. The presentation was given by Ms Livia Cristina Boc (Project Manager, Municipality of Alba Iulia).

QUESTIONS UNDER REVIEW

During its preparation for the Peer Review workshop, the city was asked to prepare three questions to be later discussed with peers. The representatives of Alba Iulia formulated the following questions:

**Question 1**

‘How can national level Article 7 regulation implementation and the priorities and needs of the beneficiary city be more effectively combined?’

*Why was this question asked?*

Because of bottlenecks encountered in the Municipality’s activity, some of which were similar to what the Municipality encountered in the 2007-2013 programming period. Indicatively, these bottlenecks include:

- Restricted eligible activities
- Restricted eligible beneficiaries
- Unpredictable auditing rules
- Allocated funding does not match local level needs

*What had been done about this prior to the workshop?*

The Municipality communicated their needs to the Intermediate Body, along with other municipalities from the same region; Managing Authority representatives visited Alba Iulia in spring 2017, for consultations.

*What worked?*

Alba Iulia, along with other municipalities from the same region, succeeded in delivering the message to central government.

*What did not work:*

The fundamental issues remain the same – no solutions offered from the Managing Authority.

**Question 2**

‘How could the ISUDS be utilized in order to enhance cooperation between a municipality, civic society and businesses, in order to promote coherent local and regional action plans for a given sector (eg: tourism)?’

*Why was this question asked?*

Such cooperation is crucial in sectors such as tourism and culture, which are long-term development triggers for Alba Iulia. Therefore, the Municipality wanted to learn more about the motivation of external actors to get involved in ISUDS implementation and existing examples of institutional models already in place elsewhere.
**What had been done about this prior to the workshop?**
The local administration organised various initiatives to enhance cooperation and develop ideas and proposals about the forms this cooperation could take.

**What worked?**
A few cooperation actions with the private sector on social issues did materialise, mainly from a corporate social responsibility perspective.

**What did not work?**
A functioning cooperation forum (actors involved in tourism & hospitality sectors, public authorities) still has to be put in place.

**Question 3**
*Which Europe-wide alternatives are there, for an Urban Authority, to fund integrated sustainable urban development projects which are (too) innovative to be included in the ERDF-Romanian Operational Programme but are not groundbreaking enough to be funded via Urban Innovative Actions?*’

**Why was this question asked?**
Because the Municipality was faced with such cases, for instance, when it wanted to create an intermodal transportation hub or a common public transport e-ticketing system.

**What had been done about this prior to the workshop?**
The Municipality submitted an application for UIA 2017 to seek funding for an intermodal transportation hub in Alba Iulia.

**What worked?**
The application was the only one with a Romanian lead partner. It was highly praised and it successfully went through the first UIA selection phase.

**What did not work:**
The application was rejected, as it was not innovative enough at the European level.
DISCUSSIONS 1 ON ARTICLE 7 NATIONAL LEVEL IMPLEMENTATION

ORIGINAL QUESTION: ‘How can national level Article 7 regulation implementation and the priorities and needs of the beneficiary city be more effectively combined?’

RETHINKING THE QUESTION: The group discussed the underlying issue of alignment between multiple governance levels. One topic of discussion was how well Article 7 priorities might reflect local needs in a very diverse territory like the EU. Another topic which the group discussed was the involvement of Urban Authorities in formulating national and regional programme objectives. Eventually, the group reformulated the question as follows:

‘How can Article 7 objectives, national level programme objectives and local needs be more closely aligned?’

POLICY ADVICE

The key policy advice which the group concluded on can be summarised as follows:

- It is important for the Urban Authority (UA) and the Managing Authority (MA) to consult with each other extensively during the drafting stage of the ITI strategy.
- Ideally, the Operational Programmes and the ITI programmes should be developed in parallel.
- A permanent working group between the Managing Authority and the Urban Authority would be extremely useful to have. This would be a body dealing with technical issues.
- Urban Authorities should choose Thematic Objectives (TOs) which could then be fitted to Partnership Agreements (PAs).
- UAs and MAs should discuss programming needs 3+ years in advance. A permanent mechanism to assist that dialogue between UAs, MAs and Ministries would be very useful to have.
- UAs should create their investment plans very early into the programming period, to make it easier to plug diverse funding sources into it.

LESSONS LEARNED AMONG THE CRITICAL FRIENDS

The group agreed on three key lessons to take home:

- Involve multiple stakeholders when needs are assessed and programmes are drafted at all governance levels (enact multi-level governance).
- Initiate needs assessment and planning early on into the programming period.
- Create feedback mechanisms linking the local level to higher levels, all the way to the EU level.
DISCUSSIONS 2 ON ENHANCING STAKEHOLDER COOPERATION

ORIGINAL QUESTION: ‘How could the ISUDS be utilized in order to enhance cooperation between a municipality, civic society and businesses, in order to promote coherent local and regional action plans for a given sector (eg: tourism)?’

RETHINKING THE QUESTION: The participants came to the conclusion that the question was quite broad and that it could even be considered as a combination of separate questions (municipality, civic society and businesses). They thought it was best to focus only on one strand of the question, namely the cooperation between municipalities.

The sectoral aspect of the question (tourism) was also debated: should the discussion focus on tourism and cultural heritage or should it be broader? The group let the Alba Iulia representatives decide. Since this sector is of particular importance to the city (‘burning issue’) and the city thinks that the citadel has a lot of potential, they asked the group to concentrate on the tourism aspect. The question was therefore reformulated as follows:

‘How could an ISUDS be utilized in order to enhance cooperation among municipalities in order to promote coherent local and regional action plans for a given sector (e.g. tourism)?’

POLICY ADVICE
Several ideas were aired, which fall under three categories, namely:

1) Networking
   - Organise joint events with other municipalities (on tourism)
   - Cooperate with cities who have similar problems: show your neighbours that the problems are common and that solving them together works better
   - Ensure there is political support for the ISUDS
   - Create a strong network among peers
   - Create two platforms: one political and one technical

2) Common goals/needs
   - Use common/joint strategies between neighbouring municipalities to solve common problems
   - After 2020: funds should not only be allocated to municipalities but also to functional urban areas
   - Each municipality can focus on specific aspects of tourism
   - Find a way to interest your neighbours to cooperate e.g. Alba Iulia has knowledge in funds so it should use this
   - Perform ‘needs analysis’ on each city to identify needs that are common between cities

3) Utilise tools and structures that already exist
   - Use existing tools and structures: city associations, existing networks etc.
   - Regional agencies as moderators- use independent actors
   - URBACT method applied at regional level: co-design and co-implement
LESSONS LEARNED AMONG THE CRITICAL FRIENDS

The group agreed on three key lessons to take home:

- Networking, key people and peers are essential
- Organise regional meetings fast
- Don’t be afraid to experiment with what already exists

DISCUSSIONS 3 ON ALTERNATIVE FUNDING MECHANISMS

ORIGINAL QUESTION: ‘Which Europe-wide alternatives are there, for an Urban Authority, to fund integrated sustainable urban development projects which are (too) innovative to be included in the ERDF-Romanian Operational Programme but are not groundbreaking enough to be funded via Urban Innovative Actions?’

RETHINKING THE QUESTION: The group debated the premise of the question and it was suggested that some of the project examples given by the UA could actually have been funded by the ROP. The discussion also focused on who takes the lead in designing the programme and who is eventually responsible for implementing it. Therefore, the question was reformulated as follows:

‘How could an ITI Action Plan be designed in a way that engages multiple funding sources as well as a wide range of private and public sector stakeholders, to facilitate implementation?’

POLICY ADVICE

The key policy advice which the group concluded on can be summarised as follows:

- Making city data coherent and opening them up is important in attracting stakeholders and funders.
- Design bankable projects (use private sector involvement to achieve that) and be absolutely clear in your strategy about which projects are bankable and which are not.
- Connect projects to concepts, like smart specialisation and circular economy, that are more attractive to funders.
- Start with smaller projects and keep trying, do not give up if you fail to get funding at first.
- There are several funding sources out there, which may suit different needs and different types of projects: EIB, World Bank, Jaspers, H2020, URBACT, Interreg etc.
- The city is an enabler: it should involve citizens in project design and establish partnerships with other cities and actors (perhaps via joining successful URBACT projects and partnerships).

LESSONS LEARNED AMONG THE CRITICAL FRIENDS

The group agreed on three key lessons to take home:

- Strategies and projects are hard to sell. It takes time: keep calm and carry on.
- Connect the city with other cities, for example as it happened in Finland with the 6 Cities Strategy.
- A suitably organised action plan is of paramount importance. The Action Plan needs to modularise projects and should be able to set clear priorities, schedules and ‘easy wins’ without losing sight of the big picture.
PART 4 | INFORMAL ASSESSMENT

DETAILED FEEDBACK

The city of Alba Iulia filled in a self-assessment questionnaire prior to the workshop. Invited experts and selected peers filled in a standardized questionnaire afterwards. In addition, comments and suggestions have been included from the participant ex-post evaluation surveys.

The feedback refers to what the peers and the experts said. In this context, it should be noted that the evaluations of the respondents are based on their individual understanding of the elements presented by the city in the time allowed by the peer-review exercise.

There is special mention in this section of questions/issues where there is a divergence between the views of the city and the pool of respondents whereas areas of convergence are treated in a more aggregate way. This was done for reasons of economy of space, as the areas of divergence are limited in number and offer a good opportunity to highlight topics on which the Urban Authority could focus its efforts in the future.

I. INTEGRATED APPROACH

In general the experts and the city of Alba Iulia agree that the strategy reflects an integrated approach in most respects. The city disagreed with the statement that contributions from higher levels of governance are foreseen in the action plan, whereas the experts are more positive with this statement. This may reflect a difference in expectations between the city and the experts: the topic of cooperation between national, regional and local governance levels was thoroughly discussed in the round tables (see Part 3 of this report for detailed comments).

II. THE OUTWARD-LOOKING DIMENSION

The experts and the city agree that Alba Iulia’s strategy is sufficiently outward looking as it takes into account the position of the city vis-à-vis other cities and countries, avoids duplication with neighbouring territories and foresees cooperation through EU and other initiatives. However, the city and the experts think that more could be done in order for the strategy to foster strategic cooperation with other countries and cities in the EU. The capacity of the city to do so however should be contextualized in terms of the ROP aims, as well as the legal competence, the capacity of the city and the resources available to it.

III. ANALYTICAL WORK BEHIND THE INTEGRATED SUSTAINABLE URBAN DEVELOPMENT STRATEGY

The experts and the city agree that the analysis is one of the strong points of the Alba Iulia ISUDS. Indeed, some very interesting methodologies have been used and the findings are based on robust analysis. However, the city highlighted that the ISUDS did not contain an options analysis. This is indeed something which would have helped the city to improve the effectiveness of its action plan but it is resource-intensive: it could be pursued in the future if the available resources allow it. More could also have been done in identifying rural-urban linkages, although from a pragmatic point of view it would have been hard for the ISUDS to propose projects that would address such issues effectively, given that the strategy covers the administrative area and not the functional urban area.
IV. STAKEHOLDER ENGAGEMENT

The experts and the city agree that the stakeholder engagement is another strong point of the ISUDS, especially in the Romanian context where such statutory provisions are less exacting. The one item where more attention would be needed is the participation of stakeholders during project implementation. Such participation might help the city to improve the effectiveness of its project implementation but it is resource-intensive and may backfire if not handled properly. Stakeholder input during project implementation could be used in a very focused way once resources allow. In the meantime, the city could experiment with pilot cases of such participation to develop the necessary know-how.

The workshop participants also highlighted that having a more systematic dialogue between city level and national level would have been useful. Citizen and other local stakeholder participation in all phases of the projects, from preparation to evaluation, is also proposed by the participants. In practical terms, the advice is to build networks based on trust: start with little steps instead of trying to tackle "difficult" topics first.

V. SHARED VISION

The experts and the city agree that the vision and the visioning process is well developed in the Alba Iulia ISUDS. One workshop participant suggested that the vision should try to imagine the city in 2050 in the field of environmental sustainability: The city cannot be attractive for tourists and residents if environmental issues have not been addressed. It would thus be important to focus the strategy more on change and less on maintenance. Another participant asked how co-creation was handled in the current version and suggested that joint actions or strategies at regional level should be considered. Overall, the workshop participant comments suggest that the urban authority should have taken a bolder approach in tackling the key challenges facing the city, however the experts and the city seem to be more satisfied with the strategy in that respect.

VI. ACTION PLAN

The experts and the city agree that the action plan of the Alba Iulia ISUDS has several strengths when it comes to description, roadmaps, logic and timetables. However, the city points out the lack of a spatial representation of the plan whereas the lack of an ‘options analysis’ was picked up by the experts. The workshop participants advised the city to split the main goal into smaller parts to make programme implementation easier. This method was also discussed in the roundtables and indeed, it seems to be a very promising way to address some of the challenges that the Alba Iulia ISUDS may face in terms of implementation.

VII. POLICY COORDINATION AND FUNDING SCHEME

The experts and the city agree that policy coordination with relevant city, regional and National policies is well developed in the Alba Iulia ISUDS.

VIII. POLICY MIX AND FUNDING SCHEME

The experts and the city agree that this is one aspect of the Alba Iulia ISUDS which could improve if more financial commitment from the private sector was sought more systematically and alternative financial instruments were utilized more widely. However, the strategy does a good job in identifying European, national and regional funding (grant) sources and in exploiting the synergies between them.

A few participants pointed out that the strategy needs to pay more attention to the design of the action plan in order to identify the right sources of funding for each project and also to identify the important actors for each project. Some of the projects the city wants to implement are ‘bankable’ as they generate revenues and
therefore it would have been easier to attract private capital into those schemes. This point was also discussed in the roundtables and indeed, it seems to be a very promising way to address some of the challenges that the Alba Iulia ISUDS may face in terms of implementation.

IX. FRAMEWORK FOR DELIVERY: GOVERNANCE AND MONITORING SYSTEM

The experts and the city agree that the Alba Iulia ISUDS enjoys strong political backing, has a clear delivery framework and is well communicated to stakeholders. The risk analysis is another strong point, whereas the monitoring system and the indicators are also adequate although more work should be done in measuring outcomes and impacts. As already identified in section IV, stakeholder participation during implementation could have been developed further and this means that political support and support from critical groups during implementation is weaker than it could otherwise have been.

UDNs FURTHER SUGGESTIONS

Overall, Alba Iulia’s ISUDS is a good example of what a relatively small Urban Authority with comparatively limited resources can do, so long as it maintains its focus and it targets its resources in a ‘clever’ way, as described in the ‘start-up city’ idea, to which Alba Iulia subscribes. The experts provided the following advice and suggestions in addition to the detailed feedback above.

The ‘good practice’ cities in URBACT were indicated as a valuable pool of ideas when it comes to action plan development (for example via modularisation) or monitoring and outcome & impact indicator development. These indicators would provide useful feedback regarding strategy and policy effects and may facilitate adjustments that would increase the relevance and the significance of the strategy.

Programs like JASPERS or ELENA could also be used for project development, although they are linked to EIB lending. Loans of this type (from the EIB, the EBRD etc.) might be something Alba Iulia may wish to consider anyway if the state of municipal finances allows it. The ISUDS includes ‘bankable’ projects (i.e. projects which create revenues). Attracting private sector investors and diversifying the sources of funding for the ISUDS were picked up early on as topics worth considering further. As the participants also highlighted during the workshops, identifying ‘bankable’ projects is key in order to draft an investment programme and an action plan which might attract a diverse range of funding sources. The potential of those funding sources to also offer Technical Assistance free of charge should also not be underestimated.

Stakeholder engagement during implementation is often a disputed issue. It may be more useful, for an Urban Authority, in terms of adjusting policy and strategy goals because changing the actual projects while they are implemented is more challenging (other than operationally challenging any such changes would need to be checked in light of EU funding regulations). Across Europe, there are several examples of mechanisms used in order to adjust urban development3 or housebuilding projects4 to changes in policy, market demand and consumer preferences but the applicability of those approaches in an EU funding context has to be further looked into. Having said that, more engagement of political

3 http://discovery.ucl.ac.uk/1328495

actors as well as critical groups during the strategy implementation may also reap important benefits in terms of effectiveness, if handled appropriately.

A topic which arose during the city’s preparation for the workshop and was also discussed during the round tables was the coordination between the Urban Authority and the Managing Authority and/or higher levels of governance. Eventually, it emerged that these issues with vertical (and to some extent also with horizontal) coordination could be addressed by the creation of appropriate institutions that would allow technical and political issues to be discussed and resolved in a targeted and structured way. Such institutions would also facilitate the flow of information and feedback as well as early programming. Article 7 applies to a vast territory with significant differences in terms of challenges faced, technocratic cultures and practices, institutional thickness and capacity to plan in an integrated manner. Therefore, establishing mechanisms which would allow information and feedback to feed down from the European Commission to the local level and up from the local level to the European Commission would appear to be quite important in enhancing the effectiveness and efficiency of Article 7 currently and in whatever shape it takes in future funding rounds.
PART 5 | LESSONS LEARNED AND FOLLOW UP

CITY: SUMMARY OF LESSONS AND ACTIONS

What are the specific lessons for the city of Alba Iulia from this peer review exercise? Below are the main lessons learnt and possible actions linked to these lessons.

Lesson Learnt 1
It is beneficial to have a cooperation framework with other cities on regional level, in order to better promote the region and attract more funding from various sources (government, EU, private funds).

Linked Action 1
Start discussions with the Mayors of the other cities, create an official framework for cooperation (including the conditions of the cooperation) and establish an action plan. The External Cooperation Department of the Municipality of Alba Iulia has been tasked to follow up on this action.

Lesson Learnt 2
Large projects can and should be split into smaller ones, in order to identify the most appropriate funding source for every desired action.

Linked Action 2
Assign a team of several persons for each desired action, so that they identify the best funding options. The Programmes Department of the Municipality of Alba Iulia has been tasked to follow up on this action.

Lesson Learnt 3
It is possible to combine various funding sources, provided that the actions are complementary/integrated.

Linked Action 3
Design complementary projects, taking into account the eligibility conditions of ESF-funded programs, respectively of ERDF-funded programmes, from an integrated perspective. The Programmes Department of the Municipality of Alba Iulia has been tasked to follow up on this action.

In addition to these actions, related to the drafting and implementation of an ISUDS, the Municipality of Alba Iulia is planning to undertake the following activities to follow-up on the workshop:

- Organise an internal meeting to discuss the recommendations and ideas which emerged in the workshop
- Participate in future ISUDS peer-review events organized by UDN
- Participate in future ISUDS mutual-learning events organized by the city’s own networks
- Participate in future UDN events more generally