Integrating Sustainable Urban Development Strategies

UDN PEER REVIEW REPORT

Gothenburg (Sweden)

1-2 December, 2016, Ghent

Representatives of the city of Gothenburg presented current work on their Integrated Sustainable Urban Development Strategy during the Peer Review workshop organised by the Urban Development Network (UDN) and hosted by the city of Ghent on 1-2 December 2016. The presentation was followed by peer discussions which have provided the bases for this report.
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PART 1 | UDN 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 regions.

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).

Objectives and expected outcomes

One objective of the Peer review is to allow participating cities to meet their peers, the 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 (lessons to take home).

About the Peer review workshop

The Peer review is based on a participative approach that encourages all participants to engage in a dynamic and creative discussion, which benefits both the cities under review and their peers.

The Peer review workshop involved different categories of actors:

Participants from cities under peer review. Three representatives from the city were invited (six in the case of the host city Ghent) to represent their city at the workshop to allow for simultaneous discussions (separate discussion tables). Three cities presented their strategies and were peer-reviewed: 1. Ghent; 2. Maribor and 3. Gothenburg.

Critical friends. All peers at the workshop had 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 acted as a critical friend in the next session. Prior to the peer-review workshop, the European Commission provided all critical friends registered for the workshop with the background documents to allow them to prepare for the workshop.

Invited experts. The European Commission invited several experts to the Peer-review workshop for distinct purposes. One expert supported the three cities in their preparation of the peer review. Notably by explaining the objectives and EU policy context, by helping in the drafting of questions and in reviewing the cities’ presentations and background documents.
European Commission staff. The UDN Peer review is the result of the collaboration between DG REGIO and JRC. Together with the host city, they were responsible for the organisation of the peer-review workshop. DG REGIO moderated the two days. Moderation and note taking of the workshop session was done jointly, where staff from JRC focussed on the correct implementation of the methodology of the peer review.

Structure of the Peer review

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, Shared vision, Action plan, Policy coordination an funding scheme, Stakeholder engagement, Framework for delivery: governance and monitoring system. This assessment exercise allows urban authorities to examine their strategy from the perspective of an external eye.

During the Peer review workshop - Workshop discussions

The Peer review workshops ran for one and half-days (on 1 and 2 December 2016). The agenda was structured with plenary and parallel sessions. In addition Day 1 contained a site-visit to The Ghent Old Docks. Plenary sessions aimed at providing general and technical information and to collect main outcomes of the Peer review workshop, both in Day 1 and Day 2.

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 logic:

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 discussion tables (two times three in the case of the host city Ghent).

Each table was asked to develop the proposed question in three iterations, which ensure that participants can: (1) work together to better understand the actual problem behind each issue; (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 discussion tables. At each table there were also: one of the invited experts as table moderator; a representative from the city under review to take a full advantage of the discussions and to answer any clarifying questions; a European Commission staff member. Once each table finished its discussion, the urban expert from each table presented the results of discussions to the others. At the end of each peer review session, the reviewed city was invited to reflect on the presented results of the discussions.

The parallel sessions were followed by plenaries where invited experts and cities under review were asked to exchange feedback and reflect on Lessons Learnt. At the closure of Day 2, an additional plenary session (Closure session) 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, each city under peer-review was set to receive the specific Feedback Report that summarises results of table discussion and reflections, discusses any existing shortcomings in the reviewed strategy, and offers relevant recommendations. Moreover, experts and peers were asked to fill in additional questionnaires and an online survey that partially fed the content of this report.

The link to the peer review workshop's website including all the presentations and Feedback Reports is available here.
PART 2 | CURRENT WORK ON THE INTEGRATED SUSTAINABLE URBAN DEVELOPMENT STRATEGY

ABOUT THE CITY in BRIEF

Gothenburg is Sweden’s second largest city located in the west of the country, with 548 190 inhabitants, of whom 24.5% were born abroad.

In terms of economy and productive activity it has 323,000 workplaces. The rate of new businesses is 13 companies per 1000 inhabitants against a national average of 11.9 per 1000. It is a logistics hub and the largest port in Scandinavia. Dominant sectors have traditionally been trade, shipping and manufacturing and major companies in the city include Volvo, SKF and Astra Zeneca. Gothenburg has two universities.

GDP per capita was 34,000 Euro in 2015. Unemployment is low at 6.2%, and the rate of higher education is 34.4% (age 25-64). However the city suffers from persistent inequalities and it is a high political priority to promote a more equal society.

Both Sweden as a country and Gothenburg the city have a strong track record in environmental policy and practices. The city’s current priorities are to reduce greenhouse gas and wastage per person. It is one of the first Urban Innovative Action cities running a project on Fossil Free energy districts.

KEY ELEMENTS PRESENTED BY THE CITY

The presentation can be found here:

Introduction to Gothenburg

For almost 400 years Gothenburg has looked outwards towards the sea and the world beyond. The city was founded in 1621. It was planned and built by Dutch and German people. As a maritime city of trade and industry it has fostered close relationships and been able to exchange skills with many other countries. International contacts, outside influences and people from different cultures have always been an asset to Gothenburg and still are today.

The City of Gothenburg has decided to invest and use the 400 year anniversary in 2021 to create an even better city. Thousands of ideas and visions have been gathered from people in Gothenburg. The ideas of residents form the basis for the proposed anniversary initiatives. The vision, goals and themes are built upon this process of open consultation. The path to 2021 is just as important as the anniversary itself. There are five goals:
Achieve **international impact** by making Gothenburg a city where residents enjoy living, feel involved and have a sense of pride and confidence in the future.

Become a bold model for **sustainable growth** by achieving and exceeding already agreed targets.

Promote the development of Gothenburg and the surrounding region through broad collaboration between the city's committees and companies, as well as local, regional, national and international stakeholders.

Involve the city in celebrations by encouraging ongoing **open dialogue** in which everyone can contribute.

Reinforce the image of Gothenburg through effective communication and **marketing**.

Activities to reach these goals reflect at least one of three general themes: closer to water, building bridges and open spaces. They also reflect annual themes (2009-2021). In 2016 the annual theme was Culture. For instance, during the local Senior Day it was possible for elderly people to test virtual reality glasses on a virtual ride with the cable railway which will be built over the river in the middle of the city centre as part of the anniversary.

**Vision RiverCity Gothenburg**

Gothenburg and Western Sweden are growing rapidly. One of the largest urban development projects in Scandinavia, RiverCity Gothenburg, will see Gothenburg city centre double in size. By connecting the city, embracing the water and reinforcing the centre, the city is committed to creating an inclusive, green and dynamic inner city open to the world. Emerging along both sides of the river, RiverCity Gothenburg spans several areas such as the Central Station, former docklands and parts of the old port of Gothenburg. The objective is to build a total of 25,000 new apartments and 45,000 new workplaces.

The City of Gothenburg has decided to use RiverCity Gothenburg as a test-bed for new models and technologies – socially, environmentally and economically. By capitalizing on the strengths of the city in the lead-up to 2021 and the 400 years anniversary, the city is aiming to attract attention and interest in what is being developed in Gothenburg. As the city plans for the area in the long term, the RiverCity area will be accessible here and now through short-term measures and activities. One example of this is one of the Integrated Territorial Investment projects developing the city’s very first innovation strategy.
component of the West Swedish Agreement. The aim of the agreement is to reinforce and expand the entire region as well as the City of Gothenburg with infrastructure investments to an estimated sum of 34 billion SEK (3.5 billion Euro) by 2028. It is financed by joint funding. The Swedish government will cover half the cost whilst the remainder will be funded locally and regionally, partly through the congestion charge system.

Environmental Programme

Climate change is one of the greatest challenges of our time. Therefore reduction of climate impact is one of the local environmental objectives of the city. Gothenburg will assume responsibility and become a forerunner through the establishment of an effective and forceful climate policy. The local action strategy includes a range of actions related to lifestyle, food and cultivation, energy efficiency and freight transport. One important action to achieve this is to develop a local food strategy. It is one of the EU funded Integrated Territorial Investment projects.

Equal Gothenburg

The local report *Inequality in Living Conditions and Health in Gothenburg (2014)* provides an overall description of the disparities in living conditions and health between different groups in the city and between different city districts.

It presents a summary of proposals for measures in four focal areas: Give every child a good start in life; Provide children with good conditions through their school years; Create preconditions for work; Create sustainable environments and communities that promote health. It includes proposals for social mix in schools and de-segregation of housing.

In addition to proposals for ways forward for the City of Gothenburg certain structural and general conditions have been identified in the report. The following examples have specific relevance to the ERDF ITI strategy discussed in the Urban Development Network Peer Review.

Organize to facilitate sustainable control and management.

Make financial calculations and focus on social investments.

Integrate the revisiting of inequality in living conditions and health into the organization’s existing analysis and follow-up system.

Work actively on knowledge alliances.

Promote social cohesion in the city.

Agree on cooperation between the City of Gothenburg and
the Social Economy Sector

A local agreement on cooperation between the City of Gothenburg and the Social Economy Sector is the result of joint dialogue and a clear political statement that cooperation is an important component of Gothenburg today and tomorrow. The vision is that Gothenburg is a city where its inhabitants are engaged. The objectives are to strengthen democracy, increase participation and reduce alienation. The agreement is based on six common principles:

- integrity and independence
- dialogue
- quality
- diversity
- long term vision
- openness and transparency

This complements existing agreements on cooperation between Social Economy Sector and national as well as regional authorities in Sweden.

EU and urban development of Gothenburg

Sweden became a member of the European Community in 1995. In 2000-2006 the Urban programme invested 50 million SEK in sustainable urban development in specific residential areas in Gothenburg. Investments were made to make the areas more attractive. An Urban secretariat was hosted by the City of Gothenburg. In 2007-2014 the ERDF programme of Western Sweden included one priority axis for sustainable urban development dedicated for deprived areas of the city. 90 million SEK (9.5 million Euro) were invested here. Other EU programmes such as Interreg, URBACT and FP7 also contributed to sustainable urban development in Gothenburg. In 2007 the Executive Committee of Gothenburg initiated and adopted a local strategy for the use of structural funds. Accordingly, expert competences were appointed in the city administration and City of Gothenburg European Office opened in Brussels. In 2007-2013 EU funded 400 million SEK (42 million Euro) in structural fund projects in the City of Gothenburg which represented two third of the total EU-funding to the city. In 2012 the City of Gothenburg initiated and is now coordinating the FP7 Smart Cities project Celsius focusing on district heating and cooling. The experience has made EU-funding of urban development an integrated part of the city planning and development work.

The ERDF programme of Western Sweden 2014-2020 has three thematic objectives: R&D cooperation, competitive SME and innovation for a carbon reduction economy. Urban development is given priority. Western Sweden is the single Swedish NUTS 2 area out of eight where the financial instrument Integrated Territorial Investments, ITI, is included in the regional ERDF programme. Accordingly, at least five percent of the total EU-funding of about 53,8 million euro must be invested in sustainable urban development in the City of Gothenburg. The programme also states that a regional fund coordination group of authorities responsible for urban development and managing authorities must be established. The task is to coordinate calls for proposal and to strengthen the effect of Europe 2020. The local ITI strategy states that a local fund coordination group of representatives of relevant local programmes and processes must be established. The task is to support the coordination of Structural Fund projects and the dialogue with Managing Authority.

The ITI strategy, ‘Cross-sectorial Integrated Strategy for Sustainable Urban Planning in Gothenburg 2014-2020’, is an amendment to the Operational Programme of ERDF in Western Sweden 2014-2020 and will be coordinated with the regional strategy of the European Social Fund, the Rural Fund programme and Horizon 2020.

The regional ERDF programme underlines the fact that the Swedish Partnership Agreement pays particular attention to regional imbalance, with consequences for sustainable regional development. Urbanization is a regional challenge and Gothenburg has specific challenges as the largest city in the region. Therefore, ITI is applied only in the City of Gothenburg.

The regional authority involved the City of Gothenburg in its programme design. In parallel the city also developed the ITI strategy. The Executive Committee of the City of Gothenburg amended the strategy in June 2015. It defines important sectors for cooperation, strategic partners and cooperation themes. It also indicates cross sector projects and activities. All projects must link to the business sector and to the three priorities of the programme. Follow up and decision-making mechanisms are also covered in the strategy. Reflecting the structure of the ERDF programme the strategy states that a fund coordination group must be established in the City organization. The group is convened by the central city administration via the International Relations Office and consists of four representatives of major local programmes and processes upon which the strategy is based The Managing Authority is a co-opted member of the group in order to facilitate dialogue. There is also a regional partnership involving the labour unions, the social sector and business representatives that makes decisions by consensus. The scope of the programme is the entire city with 10 city districts (land 450 km2 and water 270 km2). The City itself is responsible for the selection of operations.

The strategy does not include financial instruments but does foresee an appropriate mix of grants, loans and financial engineering instruments. One of the projects explores the possibility of introducing a local innovation fund.

The projects developed under each theme are:

**R&D co-operation (P 43 %, ITI 18%)**
- A new city innovation strategy

**Competitive SME (P 38 %, ITI 18%)**
- The city is developing a one stop shop supporting entrepreneurs and start-ups for business development. Women and people born abroad have been given priority.

**Innovation for low carbon economy (P 14%, ITI 64%)**
- Cross-sectoral co-operation in hubs for test and demonstration in urban and rural environment
- Development of Sustainable Food Strategy for the city

Two out of three projects are up and running and successes so far include awards from Regio Stars, Enterprise Europe and Eurocities. The city invested in new local solutions in the form of Green Bonds which were showcased at COP 15. This model of investment could be transferred to other sectors and cities.
An initial SWOT analysis of the Strategy revealed the following:

**Strength**
- Broad-based co-operation
- Business support knowledge
- “Low carbon governance”

**Weakness**
- No innovation system
- Inequality
- Pattern of consumption

**Opportunity**
- Europe 2020
- Entrepreneurship
- RiverCity

**Challenge**
- Global competition
- Climate change
- Dependence on large employers

**Strengths:** manageable and multi-level governance

**Opportunities:** catalyst for triple helix cooperation

**Weaknesses:** small projects compared to parallel urban development

**Bottlenecks** so far in elaboration/implementation include managing the conflicts between CO2 reduction and innovation for the future on the one hand and the immediate need of jobs and housing in combination with the refugee situation on the other.

In hindsight the municipality recognises that it would have been better to set up the Partnership Agreement before the ERDF Program and ISUD, instead of running parallel processes. The city also sees that it could improve on systematic learning and build in knowledge management processes, rather than just finish one project and then start another.
PART 3 | INFORMAL FEEDBACK FROM SELECTED EXPERTS, PEERS AND UDN

This part refers to the informal feedback given by the peers, the experts and the Urban Development Network. In this context, it should be noted that:

- Informal evaluations of the respondents are based on their individual understanding of the elements presented by the city in the short time allowed by the peer-review exercise. A different degree of understanding may result in a variety of responses.
- We suggest focusing attention on questions/issues where there is a substantial discrepancy in the judgement expressed by the city and the one expressed by the pool of respondents.
- Dispersion of evaluations of respondents across a wide range of different judgements may reveal a difficulty in understanding how the underlying issue was communicated by the city.

DETAILED FEEDBACK

The following sections summarise feedback from a small number of urban experts and a critical friend that completed a post event assessment.

On behalf of the city of Gothenburg Elif Koman Andre filled in a self-assessment questionnaire prior to the peer review workshop. In it the city judged its main strength to be its integrated approach, in terms of horizontal, vertical and territorial integration. The city also regarded the analytical groundwork it had undertaken to be sound, building on the current situation, including SWOT analyses, to clearly identify potential challenges and threats. There was less confidence that the vision had been made clear and communicated, or shared widely enough. The Action Plan includes a realistic roadmap with coherence across actions and indicators and responsibilities for implementation. Gothenburg city staff thought it could be improved with more information about the progression between problem to action, interventions, anticipated results, also in visual form such as a chart. Policy and funding coordination is deemed by the city to be strong in relation to complementarity with national and regional priorities, but with more work to do in seeking commitment from the private sector, using financial instruments and exploiting other funding streams at EU level. Stakeholder engagement could be improved, both in planning and implementation. The city felt that the strongest element of the framework for delivery is the level of political support and involvement. The strategy is less clear on the results framework, output and result indicators, monitoring systems and risk analysis.

Section 1 | INTEGRATED APPROACH

The experts and critical friend agreed with the city of Gothenburg’s own assessment that the integrated approach is strong, according to all of the stated criteria in setting out economic, social and environmental challenges, in including contributions from a range of agencies, in multi-level governance and in integrating sector specific challenges.
Section 2 | THE OUTWARD LOOKING DIMENSION

Most experts felt that there was not enough information available to judge this dimension. However it is clear that Gothenburg is an internationally oriented city, in part through its history as a port, and is active in EU interregional networks and programmes.

Section 3 | ANALYTICAL WORK BEHIND THE DEVELOPMENT STRATEGY

Again the experts agreed that the analytical work undertaken by the city of Gothenburg to underpin its strategy is strong. The specific intervention area is clearly defined, the strategy builds on sound analysis of the existing situation and the main challenges and opportunities, bottlenecks have been identified and documented. The completed SWOT analysis was presented during the peer-review, as well as additional research undertaken to tackle the persistent challenge of inequality. More information would be needed to give an assessment on other qualitative methods used to inform the strategy, such as visioning, and to fully understand if rural-urban linkages have been taken into account.

Section 4 | SHARED VISION

Although the city’s own assessment was that not enough information was available to comment on the shared vision, most experts ranked this element positively. In particular experts agreed that the strategy offers a mid-to long-term vision for the city that is credible and realistic and has been represented both in written and visual ways.

Section 5 | ACTION PLAN

The experts and critical friends found it difficult to make a comprehensive assessment on some of the detail in the action plan, due to lack of information. However there were no negative remarks, and several experts commented that the problem analysis was well based on evidence and data about causes and effects, and that the strategy clearly indicated which bodies would be responsible for implementation of the actions. There was also a view that in general terms the strategy outlines a clear logical progression from problem to actions.

Section 6 | POLICY COORDINATION AND FUNDING SCHEME

All experts and the critical friend made favourable assessments of the public policy coordination and funding scheme presented by Gothenburg. The two elements where not enough information was available to comment were around the financial commitment of the private sector and the use of financial instruments. The strategy was evaluated to have priority setting that is complimentary to national and regional level priorities, to demonstrate good links with other existing strategies, and to include a framework outlining available budget resources and a proposal to exploit synergies. As an example a representative of the Managing Authority attended the Peer Review, showing the level of openness and cooperation on implementing the OP.
Section 7 | STAKEHOLDER ENGAGEMENT

Some experts felt there was not enough information available to make a detailed assessment on stakeholder engagement. There were no negative commentaries, and some experts viewed positively the stakeholder engagement process, and the mechanisms to ensure that stakeholder engagement is sustained during implementation.

Section 8 | FRAMEWORK FOR DELIVERY: GOVERNANCE AND MONITORING SYSTEM

There were many comments from experts that there was not enough information given to assess the framework for delivery. The main points that were positively assessed were the fact that the strategy has strong political backing, endorsed by the City Council and identifies concrete and achievable goals. The framework would benefit from a clearer presentation of risk analysis, and more detail on indicators to measure anticipated results, as well as the governance and monitoring system to ensure that the process of policy learning and adaptation is guaranteed.
PART 4 | Questions and peer discussions

The peer review session

The peer review session included around 50 participants from across Europe. For the discussions the participants self-organized into three separate tables, all with representatives from different cities. The presentation from Gothenburg was given by Petra Senthen, Ann-Louise Hohlfalt and Elif Koman Andre.

For the City of Gothenburg the objectives of the Peer Review were to gain:

- Input generally to the overall development of Gothenburg - a sustainable city open to the world- and especially to the Integrated Territorial Investment (ITI) work and
- Shared experience on how an EU-perspective can be integrated into strategic urban development in European cities.

During its preparation for the Peer Review workshop, the city was asked to prepare 3 questions to be later discussed with peers. The representatives of Gothenburg formulated the following questions, two of which had an operational focus and one more strategic:

1. What is the best way to coordinate EU funding?
2. How can the city foster cross sectoral cooperation?
3. How can we balance between present and future needs?

DISCUSSION ON QUESTION 1: What is the best way to coordinate EU funding?

Why: In the Gothenburg area there are different funds operating (ERDF, ESF, Horizon2020, EFRD (Leader). Each and every one of them has its own logic, management and aim. The same goes for departments and public companies of the city. At the same time Europe 2020 as well as local visions and programs are aiming at joint forces and resources in order to achieve objectives and add value.

What has been done: There is a new local fund coordination group that meets at least three times a year to pave the way for synergies between EU and local objectives. The group is also a new platform where knowledge can be stored and extended.

What has worked (so far): The group has discovered the relevance of EU funded Integrated Sustainable Urban Development

What did not work: Silos are hard to tear down. All EU programs have their own logic, their own management, their own clients. The same goes for the city administration with 10 city districts, 25 specialized departments and a considerable number of public companies with their own commitments and steering committees/boards. Timing is another challenge.
RETHINKING THE QUESTION
This question ignited a lively debate and showed that coordination of EU funding is a concern for many municipalities in the elaboration and, above all, the implementation of integrated urban strategies. Rethinking this question together revealed several elements related often to management and organisational capacity.

POLICY ADVICE
Cities need to develop the ability to attract more grants from different sources across EU programmes, not just ERDF. In order to be ready for future opportunities the city has to have good information and a detailed understanding of the technical criteria of EU fund management in the Member States and by cities. It also requires a good knowledge of what is happening in the city itself and how local needs can be matched to funding opportunities. What are the best models for achieving this level of preparedness?

Calendars are often not synchronised between EU and local level, in terms of programming, planning, financial cycles and local needs. The municipality has to create sharp budgetary planning and coordination mechanisms to manage across annual, short and long-term budgets. The role of coordinators of EU funds is to advise on the best opportunities, to engage local stakeholders and to translate from EU to local jargon so that these opportunities are easy to engage with. There needs to be an ability to make judgements on proportionate investment and the return on investment, (not just financial), related to different funds sizes. For instance, small budget projects can be important to trigger additional funding, but the level of effort needed to manage them should not be too onerous.

EU fund coordination is one of the functions involved in breaking down silos, in identifying synergies and complementarities, in order to be in a position to integrate and combine different funds for shared goals (e.g. ERDF and ESF).

These strategic and operational challenges behind the question were explored and a number of experiences shared.

In terms of cross departmental organisation Rotterdam illustrated how they have gone through a complete reorganisation of their administration moving from 30 departments to five clusters where the five directors meet on a weekly basis and are informed about EU funds. This cross agency coordination must be integrated through all levels of city administration to be effective.

The city of Milan explained that the success of the EXPO related food activities at municipal level were possible due to a dedicated office under the Cabinet of the Mayor. This gave political weight to the initiative and without that location it would not have been possible to deliver all the activities as the communication chain between the many technical offices and the decision hub is normally too long.

A vital factor in coordination is raising awareness of EU funding, both opportunities to bid for funds and concrete results delivered at local level. Rotterdam sends a newsletter to all officers so that, in principle, each of them has the opportunity to get informed. For each policy area different funding sources are analysed and information is updated frequently.

Tools were discussed to underpin better communication with the local community and beyond, to give visibility to local stories. An EU day, often on Europe Day May 9th, happens in many of the participating cities as a way to show practical impact of EU funding and to foster a more proactive culture and positive approach. Rotterdam runs an "EU around the corner" (in your neighbourhood) initiative during which they open doors to ERDF/ESF funded projects on a specially designed map. Ghent hosts regular activities such
as guided tours to ERDF funded projects. Gabrovo is working with young people between 7 and 15 years old on EU project Summer Schools.

Coordination has to ensure that EU projects are aligned with the city’s strategy, for instance by providing a checklist to decide which funds to apply to, with regards to specific objectives and areas of interest, and who to involve. In the case of Gabrovo, the city council approves all the grant proposals and officers have the obligation to report back on progress and results on a regular basis to guarantee transparency.

Many of the cities in the workshop have EU Coordination Units. Ghent explained how their Strategic Funding Unit offers a menu of services to different departments (full management; just financial and audit; informative) to be selected on the basis of needs. This is paid for from the EU project’s technical budget in the case of successful applications. EU Coordination Units work best when they build networks right across the city, and develop extensive knowledge of the city’s assets, people, and initiatives. In order to formalise this Ghent is now thinking about hiring a manager and establishing a network of EU contact people.

Bid writing expertise is a quite specialised skill and independent advice can be helpful. Preparation for calls and writing successful applications requires active collaborators with the ability to agree on clear objectives and actions to be undertaken. Cooperation between EU funds experts and sector specialists in working up the projects foster ownership by the departments that will eventually deliver them. Risk management is very often not considered, but needs to be factored in.

It was also stressed by the Eurocities representative that many discussions were about administration structure and internal governance issues. Vertical coordination can also be problematic, so direct contact with the Managing Authority from the very beginning would be an important step forward. In this regard, it was also suggested that the UDN should focus on vertical integration and multilevel coordination in the next peer-reviews, maybe involving both urban and regional/national authorities.

The city of Rotterdam underlined the importance of making sure that your city has a profile in EU and interregional projects so that you are more likely to receive invitations to cooperate.

**LESSONS LEARNED AMONG THE CRITICAL FRIENDS**

Create better communication about EU funding targeted at the local community and beyond, addressing both possible partners and beneficiaries, as well as politicians by showcasing local stories and successes;

Ensure alignment between EU funding allocations and city objectives, and an administrative structure that underpins it;

Foster ownership of EU-funded projects by city administration staff;

Generate more and better dialogue with Managing Authorities with multilevel engagement;

Integrate coordination of funds into all levels of city administration to be effective;

Promote the Gothenburg Green Bonds as innovative and transferable investment vehicle;

Consider the model of the Strategic Funding Unit "Group Ghent" of the city of Ghent with their menu of option for EU funding support.
DISCUSSION ON QUESTION 2 How to foster cross sectoral cooperation?

Why: For integrated sustainable urban development many different sectors should cooperate to make this a success. This also requires the ones that are not usually dealt with by the city such as innovation and business development.

What has been done: The ITI combines several of these themes in an innovation for the city.

What has worked: EU/ITI projects link to objectives on all levels from local to Europe 2020 strategy. Both the ISUDS and the projects are based to certain extent on multi-level dialogue and participation of the social sector, businesses, academia and public sector.

What has not worked (yet): Representing different sectors within the city administration the members of the fund coordinating group struggle to find their role in relation to the ISUDS and how they can contribute to its implementation.

RETHINKING THE QUESTION

This workshop group discussed what cooperation means in this context and decided to focus on inter-sectoral cooperation within the departments of the administration. Not all participants from other cities experienced such a problem: Nyíregyháza, because of its size (approx 250 civil servants), said they manage to handle internal cooperation quite well. Nevertheless, other cities shared the same concerns as Gothenburg, showing how this is often a common problem to many public administrations.

The discussion focused on two elements of inter-department coordination: human resources and infrastructure.

POLICY ADVICE

In terms of human resources, political back-up is essential. It is important to get input from colleagues on what are the current bottlenecks for example through questionnaires, but also in more informal settings like coffee breaks or lunches. Ghent shared an interesting practice. They work with flexible desks that allows for more contacts to be created between staff from different departments. A success factor is to define simple clear rules that can be of reference within the administration.

It is also essential to capitalize on knowledge built up during projects within the administration. This is very hard to do after a project ends so it would be important to incorporate a learning methodology, such as lunchtime talks and guided site visits, within the (inter-sectoral) processes.

In terms of infrastructure there needs to be clarity of organizational structure and responsibilities. Gothenburg explained they have approximately 25 departments whilst Ghent explained they recently restructured the administration to have only 10 departments. It seems that there is a continuous pendulum between centralization and decentralization. Some partners in the discussion experienced that a stronger centralization is very efficient (namely Riga and Nyíregyháza) whilst Ghent and Tampere are working on making the decentralised model effective.

With regard to budget, this was a part of the discussion that animated great debate because everyone agreed that access and management to resources are key to ensure cooperation and commitment on common decisions. Ghent and Tampere shared their experience in developing “envelopes” of financial resources for objectives to which various departments can apply. The design of the budget acts as a carrot and ensures the need for them to coordinate/cooperate to access the resources.
Finally administrative procedures are essential for ensuring an alignment within the implementation of collaboration. Overall, Gothenburg and many other cities are dealing with shifting from micro to macro, "from Project-based to Programme-based cooperation".

It is essential to adequately address the inter-departmental cooperation dimension in the action planning process. In order for it to work well in the implementation phase, it has to be thought about and factored in already within the plan. For inter-cooperation to be really successful it is essential to have a strategy with clear objectives to align funds, projects and human resources.

**LESSONS LEARNED AMONG THE CRITICAL FRIENDS**

Centralisation of the infrastructure can help retain control of the budget/development resources;

Coordination of strategy objectives can be supported with budget envelopes;

It's important not to restructure the administration too much or all the time as this can slow it down and valuable know-how can be lost;

Flexible desks/hot-desking are very interesting practices to introduce and encourage mixing of staff and teams. It could be piloted in several of the participating cities;

Centralise vs decentralize: this is an interesting debate between vision and management;

Size matters: the number of inhabitants but also number of departments affects the model of cooperation needed;

Participants were happy to learn that Gothenburg has the same coordination problems as everyone!

**DISCUSSION ON QUESTION 3 How to balance between present and future needs?**

**Why:** A low carbon economy is crucial to contain climate change and an innovative economy is important for long term global competitiveness, but the recent massive influx of refugees necessitates urgent short term investment in housing, schooling and training

**What has been done:** Local resources have been focused on handling the present situation. Some solutions have been financed by ESF but no solutions financed by ERDF and ITI/ISUDS have been introduced

**What has worked:** The ISUDS and projects have started

**What did not work:** Present actions are unexpected and not part of an integrated long term strategy. There is a risk of creating two parallel processes for sustainable urban development - one for long term business and climate action, another for short term social action.

**RETHINKING THE QUESTION**
The group discussion clarified different aspects of the question. What and whose *needs* are we talking about? The needs, for example, of citizens, politicians, businesses? The need to take action to mitigate climate change? These needs are not necessarily aligned and in fact can conflict with each other. Citizens need green areas, open spaces for leisure, job opportunities, housing. Climate targets need emission reduction, investment in alternative infrastructure and energies. Large influxes of refugees and migrants need immediate housing and services. Local priorities are often based on short-term needs; whereas at
national level longer term strategies are implemented. The local level is equally responsible for long term vision.

There was a discussion about how the electoral cycle produces instability and change, especially at the moment in Sweden, (and in fact across Europe), with the traditional two-party political model changing, and with a lot more minority parties and movements gaining strength. This means that new agreements are formed, in the case of Gothenburg right now between feminists and greens, along with Social Democrats, that can produce fragility. There is also new far right movement gaining strength that adds to the potential for instability.

POLICY ADVICE AND RECOMMENDATIONS
In the 21st century city there is less predictability. It is difficult to prepare for something we don’t yet know. The city has a master plan, which can be adjusted according to changes in priorities. For instance, last year Gothenburg reallocated some money in order to be more flexible. The same happens in the UK, where a 7-year strategy is revised every 3 years.

The structure of the economy is changing, as is the nature of jobs and the shift from employment to entrepreneurship is happening. The administrative burden to start a business needs to be reduced and the city itself could help businesses find funding.

The quadruple helix innovation system could work well towards solving these problems and creating the green jobs of the future. The university has great potential for entrepreneurship (e.g. start-ups). They have start-up centres and three science parks. In Oulu, Finland there is an innovation alliance (city, university, research organisations) Within it each partner has a specific role and they work all together for the benefit of the ecosystem as a whole. Nokia is involved in this same model.

Overall, this can be conceived not as a problem, but as an opportunity for innovation. The key point is to explain to the public why certain sectors should grow and not others (e.g. traditional industry declining and services growing). The challenge is also for the education sector: how to seize new opportunities, how to educate people to adjust? For instance, a report has been published in the UK about the shift in job skills and how it would affect different ethnic groups (with the example of the taxi drivers). In some sectors it’s difficult to find skilled people due to education levels.

A fundamental underlying issue in this question about present and future need is sustainability, both economic and environmental. For instance, circa 70% of the income of the Ghent “DOK” NGO (which organises temporary activity to animate urban spaces) comes from consumption (e.g. cafés, etc.), but higher levels of consumption imply higher levels of carbon emission: how can the city combine the two priorities?

There is good public support for the RiverCity project and the policy for guaranteeing low-income people homes in the area. There was much more dispute about temporary accommodation for refugees. Several projects in the UK provide examples of how to integrate different segments of the resident population and immigrants, through training, education, language courses, etc. For instance, a project in the South Essex area is bringing together local authorities, NGOs, etc. to draft a strategy on how to integrate different objectives (green infrastructure, social infrastructure, etc.), defining who is in charge of what and in what area. The integration is pursued also from a funding perspective i.e. how to integrate different funding streams at the local level. It can be useful to have a goal, such as a future event, around which to build all these activities.
Participants advised Gothenburg to avoid privatisation of the water, energy and transport sectors. Keeping ownership of these sectors gives the city control and leverage, which will ultimately help them to achieve the best solutions for future needs, especially as a green city.

LESSONS LEARNED AMONG THE CRITICAL FRIENDS
There could be more citizens’ investments (e.g. through “Green Bonds”) in companies or special enterprises that are helping to meet all these needs, for example in energy/waste infrastructure, but also in refugee housing and enterprise;

The “digital dimension” of Gothenburg’s vision is now under discussion and could provide solutions with tech business growth and smart city applications. Further recommendations are to promote labs for testing solutions, involve citizens, and open-up data between cities;

In terms of decoupling economic growth from carbon footprint the key point is to explain to the public why certain sectors should grow and others not (e.g. traditional industry declining and services growing). Independent ambassadors could work as liaisons. Specific lessons learned included:

- **Share responsibilities and resources**, for instance investing in innovation alliances (foresight)
- **Foster start-up generation** by providing businesses with infrastructure support (role of the city as no longer job provider, but facilitator)
- **Incorporate the interlinkages** between the city of Gothenburg and its hinterland (spatial dimension).
PART 5 | LESSONS LEARNED AND FOLLOW UP

CITY: SUMMARY OF LESSONS AND ACTIONS

The specific lessons and linked actions identified by the city of Gothenburg from this peer review exercise are as follows.

Lesson Learnt 1  The basics of the peer review method
Linked Action 1  Introduce the peer review method to relevant stakeholders in the City organization

Lesson Learnt 2  The importance of proactive and on-going high level management
Linked Action 2  Suggest monthly dialogue/report on urban development from an EU perspective to the Board of Directors of the Department

Lesson Learnt 3  Integrated urban planning, combined with cross sectoral cooperation, is worth the struggle
Linked Action 3  Continue resolutely working with the municipal EU fund coordination

UDNs FURTHER SUGGESTIONS

The City of Gothenburg presented a wide range of issues that are being addressed through the implementation of Structural Funds in the 2014-2020 period, specifically through the Integrated Strategy for Urban Development, which opens very interesting perspectives for the city’s future. In part due to its ambitious vision the city seems to be currently challenged with making the most out of human and economic resources available. In terms of promoting inter-departmental cooperation and capitalising on existing knowledge within the administration, it would be beneficial for the city to look at optimising the administrations’ organisation and incentivising dialogue within and between the departments. For instance from the peer review discussions it appeared that creating a shared budget for inter-departmental projects could contribute to successful cooperation. Good examples in this respect were provided by Ghent and Tampere, who use budget envelopes to which different departments can only have access if they work together.

The role of the municipal companies is important and yet somehow understated. There is a need to specify which municipal companies will be contributing or leading on specific actions and have responsibility for ensuring progression towards the stated goals. Retaining ownership of these utility companies, as well as large parts of land in the city, is a valuable asset that gives the city control and leverage, and this situation
was envied by other participating cities. The city itself recognised the need to make the most of the fact that it controls, through ownership, a lot of the city's infrastructure.

Gothenburg faces the challenge of rapidly changing demographics especially in respect to the migrant groups who now constitute 25%. The Equalities research presented at the Peer Review provides sound analysis and actions, many focused on prevention and early intervention. The city has to find ways to make sure these principles and actions become rooted in all elements of the urban plan, including infrastructure.

Given the changing nature of the economy and of future jobs, there is a need to shift focus from employment to entrepreneurship. The city can support this with business friendly regulation, skills development and creating an innovation ecosystem that includes the right kind of workspace. The Gothenburg representatives had identified as an action going forward ways to involve business more, and to develop a shared sense of responsibility for the city’s development. Using vacant sites as low cost, low barrier incubators could stimulate social innovation, by harnessing citizen ideas and actions, especially in relation to the shift to low carbon lifestyles and solving immediate challenges arising from the influx of refugees.

Planning has to incorporate the city’s hinterland as travel to work flows are high and these need to be radically reduced if the city is going to meet its ambitious climate change goals. There are some clear lessons that can be transferred from Ghent’s experience of converting its old docks to the RiverCity project.

In terms of transnational learning feedback from an online survey indicated that the UDN peer-review process was most useful for making contact with peers and European Commission services, for sharing policy advice and identifying collective lessons to take home. Most respondents felt that the peer-review had helped to improve their understanding of ISUDS, (both content and regulation), and gave them practical ideas and policies to take home to feed their own strategies. The biggest challenges reported by cities developing ISUDS are poor understanding of the concept of the integrated approach, financial resources, a lack of coordination at all levels and a lack of power for cities to determine their own delivery and implementation.

In conclusion, the Peer Review was a good exercise in validating the Gothenburg ISUD approach, giving reassurance that challenges encountered are common to many cities, and that exchange can be helpful in finding solutions. Gothenburg is clearly already a leading city that is looking for ways to improve even further. UDN provides a useful platform to explore good practices from other cities that can be incorporated to support this improvement. The Peer Review method itself will now be used locally as a tool to improve understanding across teams, departments, stakeholders, to flush out and discuss issues in facilitated and constructive way.

**Good Practices to look at:**

**Investment:** Freiburg did something similar to the Green Bonds in the social sector. They attracted investors (also private) looking to be part of ethical projects and return on the capital. Another example is the Social Bonds in the UK and NL, initially introduced to counteract recidivism: they promised 3.5% return on the invested capital and the initiative had a huge success, documented in the [OECD Workshop Report](#) on Social Impact Bonds

**Decoupling economic growth and carbon footprint:** Recommendations for a low carbon economy: [Interreg IVC POWER programme](#).
Stakeholder engagement: Thames Gateway a range of different stakeholders to develop broader focus on what people can contribute

Ghent facilitate temporary use by the NGO DOK

Encouraging citizen involvement in the municipal companies and through open innovation platform: Social Innovation Europe

Refugee/Migrant integration: Eurocities Migrant Integration, Solidarity Cities, URBACT Arrival Cities, Urban Agenda of the EU: Partnership on Inclusion of Migrants and Refugees

Many of the first round of Urban Innovative Actions will be interesting to watch and learn from including one-stop shops.