The Urban Dimension in Cohesion Policy: Past developments and future prospects

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Introduction

Over the last 20 years, the EU has been involved in a wide range of initiatives with regard to urban policy and urban matters more generally. As a result what might be described as a ‘European Urban Agenda’ has emerged. Initially the EU, during an initial exploratory phase, took on a more observational and ‘experimental’ role, but in the last decade its recommendations and activities have become more and more concrete. It has set up programmes (e.g. URBAN I and II, subsequently ‘mainstreamed’ in the last period), facilitated studies, research and the dissemination of good practices as well as supporting innovative projects across Europe.

Arguably, despite some recent positive developments and undoubted progress in developing a coherent and widely accepted ‘European Urban Agenda’, urban issues still remain relatively marginal to the ‘mainstream’ activities of the European Union and the European Commission. Thus, even today conditions are probably not yet ripe for an “explicit” EU urban policy, but step by step the European Commission is working in the direction of creating a “consensus” that may one day become an explicit EU urban policy. Indeed it may be argued that this is precisely why the term Acquis Urbain has been increasingly used (e.g. CEC, 2009) to suggest the building up a common European methodology of intervention, a body of knowledge and examples of action (e.g. ‘good practices’) that can be seen in broadly similar terms to the acquis communautaire.

Although we need to bear in mind that in the urban context Acquis Urbain does not constitute a body of accumulated law, but rather an accumulated body of knowledge, actions, ‘ways of doing things’ and behaving. It is also worth recalling that while some of what constitutes the Acquis Urbain took place under the auspices of European law and within the official structures and programmes of the EU (e.g. projects such as URBAN, URBACT, JESSICA and JEREMIE) much of it is intergovernmental in nature (e.g. the Rotterdam Urban Acquis, Bristol Accord and Leipzig Charter) and was produced through a method that is broadly similar to the “open method of coordination”: i.e. it is not binding even on those who agreed to it let alone new participants in the process and those outside the process. Given this can we conceive of a more concrete series of innovations in urban policies and practices within the current EU Urban Agenda and the new period of Cohesion Policy?

I will suggest that the in the new period of Cohesion Policy there is the potential for a greater emphasis on the ‘urban dimension’. However, the realisation of this potential will depend on the negotiations between the European Commission (most notably DG Regional and Urban Policy) and the Member States. Much will depend on how Member States interpret guidance from the Commission (most notably the Common Strategic Framework [CSF]) and utilise specific new instruments (e.g. integrated sustainable urban development) and embed these within Partnership Contracts and then on the ways in which Managing Authorities develop and implement Operational

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1 In terms of what constitutes an “explicit” urban policy I broadly follow the definition offered by van den Berg, Braun and van der Meer (2007, p1) as “…policies that affect the cities knowingly and directly.” (see also CEC, 1992).
Programmes. Moreover, the role of cities in this process will also be important, will they simply be treated as ‘passive beneficiaries’ or active participants?

The paper is organized as follow. In the next section there is an overview of relevant European activities in urban matters over the last twenty years: studies, interventions and communications. In the third section I discuss some of elements that may be seen to represent the “added value” of these urban experiences and practices. The final section the prospects for the new period of Cohesion Policy.

The EU and the ‘urban dimension’ – building the Acquis Urbain?

Put rather bluntly there is no Treaty basis for a European urban policy; although an urban dimension in the Structural Funds has developed incrementally in the post 1988 period, largely as a result of the growing recognition of the role cities play (or are assumed to play) in economic growth and competitiveness. The subsidiarity principle implies that the majority of policies to address urban issues are most appropriately carried out by cities themselves and since the mid-1990s cities have exerted pressure on the European Commission to become more involved in urban issues (this has been done on both an individual basis and collectively through urban networks such as Eurocities). As a result of these developments over the last twenty years the Community’s actions in urban matters have multiplied and taken various forms (many of these are catalogued in CEC, 2009).

Furthermore, outside of mainstream activities, through the Community Support Frameworks the Commission, between 1989 and 1999, supported 59 Urban Pilot Projects (UPP) under Article 10 for innovative actions of the European Regional Development Fund (ERDF) regulations. These projects promoted urban innovation and experimentation in economic, social and environmental matters with the aim of developing an “integrated approach” to urban regeneration. Also under Article 10, in 1989 the Commission launched the RECITE Programme (Regions and Cities of Europe) to promote interregional projects and the exchange of experience through, and among, networks developed between cities and regions within Europe (for instance Eurocities and Quartiers en crise).

In 1994, building on the positive and apparently encouraging results of UPP (first phase), the Commission launched a special structural action to support urban issues, URBAN, the Community Initiative of the ERDF for sustainable development in troubled urban districts of the European Union. Encouraged by the positive experiences of UPP I and II and URBAN I, in 2000 the Commission decided to continue this approach by introducing Urban II\(^2\), the new Community initiative for sustainable urban development, within the general regulations on the Structural Funds. Another feature of interest during the period 2000-06 was the URBACT network (part of the URBAN II programme); this network supported, and continues to support, the exchange of information and experience on sustainable urban development across the EU.

\(^2\) Although it should be pointed out that the Commission did not want URBAN II, it was only after sustained pressure from the European Parliament that it was established.
The regulations and guidelines for the programming period 2007-13 of the Structural Funds included a ‘stronger’ urban element. The ERDF, the European Social Fund (ESF) and the Cohesion Fund all provided finance for a wide range of urban development projects. The URBACT II Programme continued the exchange of know-how and experience between key players in urban policy across Europe. Moreover, urban development was also supported by Initiatives such as JASPERS, JEREMIE, JASMINE and JESSICA (see CEC, 2009, pp36-37). In particular JESSICA represented a new initiative for sustainable urban renewal and development.

We can see from this that EU actions in urban matters grew incrementally throughout the 1990s up to the current day: the apparently positive experiences with urban initiatives – especially of URBAN II3 – and the acknowledgement that cities play a vital role in a balanced and competitive Europe, led the European Commission to suggest that sustainable urban development policies should be integrated into the mainstream of Cohesion Policy. In fact, during the 2007-13 period European cities benefited in many ways from cohesion policy instruments, initiatives and tools; urban development issues have been integrated in all regional and national programmes supported by the Structural and Cohesion Funds (CEC, 2009). Moreover, there has been a growing recognition that the EU’s sectoral policies have important impacts on urban areas and the development of these policies should take into account their ‘spatial impact’ and ‘urban dimension’ (CEC, 2007a and 2007b).

In addition, during the last 20 years in order to strengthen cities and city regions, a range of other initiatives have been launched. In fact, a variety of studies have been carried out which concern urban areas; these range from Urbanization and the function of cities in the EC (CEC, 1992) to the ESPON projects, the Urban Audit, the State of European Cities Report (CEC, 2007c) and the Urban Atlas. All of these represent examples of applied research and studies on urban and territorial development and spatial planning from a European perspective deliberately designed to support policy development. Furthermore, the Commission’s activities in urban matters have also been developed through a series of ‘strategic documents’ including Communications and position papers. In 1997 and 1998 the Commission issued Towards an Urban Agenda in the European Union (CEC, 1997) and Sustainable Urban Development in the European Union: A Framework for Action (CEC, 1998) which acknowledged the importance of the urban dimension in Community policies, but, in the light of a previous failed attempt to insert an ‘urban line’ into the Treaty, declared that it did not intend to ask for additional powers. In 2006 the Communication from the Commission Cohesion policy and cities: the urban contribution to growth and jobs in the regions (CEC, 2006) represented a significant statement of intent affirming that “…cities will remain at the top of the policy agenda.” (Parkinson, 2006, p.7) and underlining the importance of the European dimension in integrated urban development.

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3 Although as the report by Frank et al (2006) indicates this ‘success’ was by no means unambiguous and there were serious limitations and flaws in the evaluation/assessment of both the process and outcome dimensions of URBAN. More generally we should note that the Commission (e.g. in reports such as CEC, 2009) focuses almost exclusively on ‘success stories’, one finds surprisingly little about failures or what went wrong. Ironically local authorities/cities frequently argue that they learn as much from these episodes as they do from successful projects. This points to a more general problem – the lack of any genuinely critical assessment of developments to date and of the associated Acquis Urbain within the Commission.
The growing significance of cities was also signalled in *Third Report on Economic and Social Cohesion* (CEC, 2004) which noted the importance of EU ‘urban policy’ and that EU policies have important implications for the future development of cities. Thus by around 2004-5 a more explicit consideration of the role of cities (and regions) in relation to territorial cohesion and addressing territorial disparities began to emerge in EU policy documents (c.f. CEC 2004 and 2005). Cities were increasingly seen as ‘engines of regional development’ and attractiveness. By the time of the Fifth Report’s publication in 2010 (CEC, 2010b), building on thinking in the Green Paper on Territorial Cohesion (CEC 2008), there was a move towards a place based approach referring to a restricted range of ‘special urban and spatial initiatives’ and the development of a more generic approach bringing together the territorial, the social and the economic dimensions in an integrated manner focussed on meaningful places of intervention (see Barca, 2009, 93). A key assumption underlying this approach is that only by focusing on the (diverse) strengths of places can more harmonious development can be achieved. Indeed, the Barca Report (2009) went on to provide a much more solid foundation for such a strategy to operate as a general approach.

The Sixth Progress Report on Economic and Social Cohesion (2009) highlights several of these themes arguing that: ‘The goal of territorial cohesion is to encourage the harmonious and sustainable development of all territories by building on their territorial characteristics and resources.’ (ibid, p11). Cities clearly have an important role to play in this approach and will be central to achieving the goals of Europe 2020 (CEC, 2010a).

In parallel to these developments various Presidencies have also emphasised the role of cities. For instance in 2000 the French Presidency of the European Union introduced the Lille Agenda (or the “Multiannual Programme of Co-operation in Urban Affairs within the European Union”). In essence what the Lille Agenda set out to do was to create a common and permanent framework of reference within which, whilst recognising differences between countries and differing priorities within them, Member States could work together to develop a common approach. This vision was intended to facilitate debate, the sharing of experiences, the development of benchmarking and a more effective and integrated use of structural funds directed at urban areas.

Subsequent developments sought to build on the Lille Agenda. Thus under the Dutch Presidency of 2004 there was the Rotterdam *Urban Acquis* (Dutch Presidency, 2004), then under the British Presidency of 2005 the Bristol Accord (2005) and in 2007 under the German Presidency the Leipzig Charter (German Presidency, 2007a). Indeed one of the Leipzig Charter’s accompanying explanatory notes stated: “The Leipzig Charter will create a foundation for a new urban policy in Europe.”(German Presidency, 2007b, p1). The French Presidency in 2008 sought to further develop the ideas contained in the Leipzig Charter (see French Presidency, 2008a and 2008b) and to produce a consensus on how to develop and implement urban policies. The Czech Presidency continued this process in the conclusions of the European Summit of the Regions and Cities in March 2009 Prague which called for “…a strong regional policy…which incorporates as a crucial challenge an urban policy for the sustainable development of European cities …” (Czech Presidency, 2009, p16). Similar themes
were also emphasised in the Toledo Declaration (Spanish Presidency, 2010). As part of these developments, following on from the Marseille Statement of November 25, 2008, the Reference Framework for European Sustainable Cities was initiated to provide tools that will support cities to develop and monitor policies on sustainable urban development.

Subsequent EU Presidencies also underlined the importance of urban affairs. The Belgian Presidency addressed the issue of multilevel urban governance. In the conclusions of the Multilevel Urban Governance Conference in Liege the three Presidencies of Spain, Belgium and Hungary (i.e. the Presidency Trio) called upon the Member States, among others, to develop new instruments for urban multilevel coordination including all levels of government: local, regional, national and European, in order to achieve the objectives of the Europe 2020 strategy, the Leipzig Charter and the Toledo Declaration. The Hungarian Presidency on the other hand focused on the demographic and migration challenges to be tackled by the urban areas. As a result the Directors General responsible for urban development agreed on the Budapest Communiqué on European urban areas facing demographic and climate challenges. The Polish Presidency of 2011 explicitly addressed the ‘urban dimension in future cohesion policy’ making a series of proposals/suggestions for the role and content of ‘urban issues’ in post-2014 Cohesion Policy (see Swianiewicz, Atkinson and Baucz, 2011).

Nevertheless, despite all of this activity when considered in the wider context of the European Union and the activities of the European Commission, the actual outcomes have been relatively limited, mainly restricted to relatively small scale ‘innovative projects’, supporting various knowledge dissemination activities (e.g. Urban Exchange Initiative, URBACT, EUKN) and agreements about principles rather than large-scale pan-European actions. Moreover, the direct impacts on national urban policies in Member States have, arguably, been relatively minor being largely determined by Member States’ own priorities and the individual history of urban policy and the degree of significance accorded to urban issues in national policy agendas.

This was perhaps most clearly illustrated in relation to mainstreaming of the ‘URBAN approach’ in the regulatory framework of Operational Programmes. The intention was that all European cities would benefit from the lessons derived from URBAN and apply them to develop an integrated approach to urban areas. However, it would appear that in some Member States, perhaps a majority, the approach implemented by the URBAN Initiatives was lost or became blurred. While the relevant regulations provided Member States with the opportunity to develop instruments or approaches supportive of integrated urban development some chose not to utilise those opportunities. Although in some Member States (e.g. France, Germany the Netherlands) the mainstreaming of the urban dimension appears to have produced more positive results (see Swianiewicz, Atkinson and Baucz, 2011, pp21-24).

In the majority of countries the ‘urban instruments’ in Cohesion Policy directed at cities were primarily implemented in a sectoral manner reflecting the Operational Programmes, and associated priorities, of individual Member States. It would appear

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4 More information can be found at: [http://www.rfsustainablecities.eu/](http://www.rfsustainablecities.eu/).
that the projects selected were not based on an analysis that took into account the integrated development of relevant urban areas. As a result cities had to apply for funds in the same way as all beneficiaries and did not have any assurance that they would receive funds for all their planned projects (this negated the intention to achieve greater added value by implementing ‘strategic and integrated policy bundles’, so that individual policies would compliment and reinforce one another). This perhaps reflects a wider ‘conservatism’ (or maybe path dependency) on the part of Member States when it comes to ‘doing things differently’ and/or developing more innovative approaches to urban issues.

The case of JESSICA in the recent programming period would seem to illustrate this point. JESSICA was a new financial instrument developed to support sustainable urban development in the 2007-2013 programming period. The idea behind it was that it would enable Member States to use some of their EU grant funding to make repayable investments in urban projects supporting long-term sustainable urban renewal in the form of equity, loans or guarantees. This required the creation of a strategic framework and a public-private partnership for the delivery of a range of projects through an Urban Development Fund, and if necessary a Holding Fund (for more detail see URBACT 2012). Generally speaking JESSICA was intended to “…provide new opportunities for Managing Authorities responsible for the current generation of cohesion policy programmes by:

- raising productivity of SF/public funds by making use of innovative and revolving financial
- instruments in the urban sector (complementary to grant financing);
- ensuring long-term sustainability through the revolving character of the Structural Funds
- contribution to UDF specialising in investing in Urban Projects;
- creating stronger incentives for successful implementation by beneficiaries, by combining loans and other financial instruments;
- leveraging additional resources for Public-Private Partnership (PPP) and other projects for urban
- development with a focus on sustainability/recyclability in the regions of the EU;
- contributing financial and managerial expertise from specialist institutions such as EIB, CEB,
- other International Financial Institutions (IFIs) and other financial institutions.” (ibid, p28)

The problem was that according to URBACT (2012) guidance from the European Commission and associated regulations lacked clarity and were not necessarily compatible with national legislation. Moreover, JESSICA required something of a ‘change in mentality’ by Managing Authorities and cities that were more familiar with using traditional grants rather than repayable loans. One might also speculate that this type of instrument required knowledge and skills not readily available within many organisations. Finally, the economic conditions in Europe post-2007 made it more difficult to access private finance, particularly for projects with a more social orientation. As a result JESSICA was an ‘under used’ instrument in the previous programming period despite valiant attempts by EIB to support and persuade regions and cities to make use of it. Towards the end of the programming period there was,
however, some indications that countries and regions were beginning to start to use the instrument; 18 JESSICA Holding funds had been established in Poland, Spain, Portugal, Bulgaria, the UK, the Netherlands and Greece. JESSICA thus may be used more widely in the post-2014 period as results of existing projects emerge, familiarity with the instrument increases, associated knowledge and ‘know-how’ is disseminated and the economic crisis, hopefully, begins to abate.

What JESSICA does illustrate is the difficulty of persuading Managing Authorities and cities to use new instruments for sustainable urban development, a point to bear in mind for the post-2014 period. Of course it may well be that in the future initiatives such as the Reference Framework for Sustainable European Cities will have a more direct impact on cities and their development of sustainable integrated urban development strategies and help with the dissemination of knowledge on these new instruments. But, a great deal will depend on the support cities receive from the EU, national and regional bodies as well as their own capacity to work in partnership with private and civil society organisations and develop a strategic and integrated approach that is able to combine and integrate multiple objectives in a strategic and long-term manner and articulate these with multiple funding streams.

The Post-2014 Period of Cohesion Policy: New opportunities for the Urban Dimension?

Before proceeding to look at the possibilities for the urban dimension it is useful to situate this in a context that has largely been hinted at up to this point but which has significant implications for the post-2014 period. By this I mean the increasing emphasis on territorial development and cohesion that has emerged within the EU over the last decade; it is worth bearing in mind that territorial cohesion is now within the Treaty of European Union. More recently this has become closely associated with the place-based approach (Barca, 2009; see also Zaucha and Świątek, 2013).

The urban dimension exists within a wider policy context where the primary concern is with achieving “territorial balance and harmonious development” and territorial (economic and social) cohesion across the European space (see CEC 2001, 2004, 2008; ESDP, 1999). Yet it is important to bear in mind that the overarching aim is always to improve Europe’s competitiveness. For instance the Green Paper on Territorial Cohesion argues:

Increasingly, competitiveness and prosperity depend on the capacity of the people and businesses located there to make the best use of all of territorial assets. In a globalizing and interrelated world economy, however, competitiveness also depends on building links with other territories to ensure that common assets are used in a coordinated and sustainable way. Cooperation along with the flow of technology and ideas as well as goods, services and capital is becoming an ever more vital aspect of territorial development and a key factor underpinning the long-term and sustainable growth performance of the EU as a whole. (CEC, 2008: 3)

Such an approach underlies Europe 2020 (CEC, 2010a) where the emphasis on achieving smart, sustainable and inclusive growth is framed by the need to regain competitiveness or suffer continued relative decline (ibid, p. 8-9).
This territorial focus has only gradually emerged in the post 2000 period; for instance neither the Lisbon nor Göteborg Strategies made explicit mention of this issue; nor were the spatial impacts across the European space considered. Several key Commission reports on economic and social cohesion and associated documents illustrate this point.

As noted above the ESDP (1999) signalled the beginning of an acknowledgement that the economic and social dimensions had spatial/territorial impacts which policy needed to take into account. Here we see a line of argumentation that policy, at European, national, regional and local levels, could be developed and applied in an integrated and targeted manner to address regional disparities/imbalances. Following on from this the Second and Third Reports on Economic and Social Cohesion (CEC 2001 and 2004) contained a more explicit focus on such issues particularly in the context of the accession of a new group of member states. The Third Report stated:

In policy terms, the objective is to help achieve a more balanced development by reducing existing disparities, avoiding territorial imbalances and by making both sectoral policies which have a spatial impact and regional policy more coherent. (CEC 2004, p. 27)

The focus was on territorial imbalances “…that threaten the harmonious development of the Union economy in future years.” (ibid, p. 27). These territorial imbalances were largely seen to exist between the Pentagon and the rest of Europe, but also within many countries between capital city (regions) and the remainder of the country. The Report justified these concerns in the following terms: “These territorial disparities cannot be ignored, since…they affect the overall competitiveness of the EU economy.” (ibid, p. 28). The answer proposed was a more “balanced development” that would reduce the disparities. Such arguments were also related to a more general recognition of the role of cities and regions in relation to territorial cohesion and addressing territorial disparities began to emerge in EU policy documents around the same time (c.f. CEC 2004 and 2005).

The Green Paper on Territorial Cohesion (CEC 2008 – subtitled “Turning territorial diversity into strength”) emphasises Europe’s rich territorial diversity and the need to draw on this to increase cohesion and growth. An argument central to this approach is that:

Territorial cohesion is about ensuring the harmonious development of all these places and about making sure that their citizens are able to make the most of inherent features of these territories. As such, it is a means of transforming diversity into an asset that contributes to sustainable development of the entire EU. (ibid, p4)

The Green Paper represents a significant step in the development of an approach that brings together the territorial, social and economic dimensions, recognising that they cannot be considered in isolation and that as a result policies must be developed in an integrated manner and directed at “meaningful places of intervention” (i.e. not limited by administrative boundaries/borders) (see Barca, 2009, p. 93). This approach assumes that only by focusing on the (many) endogenous strengths of places can more harmonious development can be achieved. Following this line of thinking the Fifth Report (CEC, 2010b) argues:
…the regional diversity in the EU, where regions have vastly different characteristics, opportunities and needs, requires going beyond “one-size-fits-all” policies towards an approach that gives regions the ability to design and the means to deliver policies that meet their needs. This is what Cohesion Policy provides through its place-based approach. (p. 13)

Within this context the place-based approach has emerged as a mode of action that seeks to support a more long-term, sustainable, development processes, based on the (endogenous) development of territorial assets.

Clearly this potentially has significant implications for urban areas and the role they can play in achieving the above. Yet it is also worth noting that Europe 2020 has very little to say about the role of urban areas, although it does place considerable emphasis on achieving economic, social and territorial, particularly under one of its key objectives of Inclusive growth. I would suggest that at this level, perhaps necessarily, the precise role urban areas will play remains somewhat unclear and needs to be clarified, which to a certain extent post-2014 Cohesion Policy attempts to do.

We also need to bear in mind that the emphasis on cohesion embodies normative assumptions about the EU and its future (desired) form. Moreover, different discourses have been emphasised in different EU policy orientations, leading to a range of strategic policy options depending upon the particular objectives assigned to cities and regions (Servillo, 2010). What this suggests is the complexity, variable meanings and vagueness associated with cohesion in the policy discourses of the EU and by extension the potential for tensions to develop between notions such as ‘territorial cohesion, ‘balance’ and ‘competitiveness’.

In terms of post-2014 Cohesion policy the ‘territorial dimension’ is an overarching framework within which the ‘urban dimension’ must be situated. So how will the new framework provided by Cohesion Policy operate? The overarching European framework is provided by Europe 2020 with its focus on smart, sustainable and inclusive growth through achieving its five headline targets (research and innovation, climate change and energy, employment, education and poverty reduction) and the associated Territorial Agenda. The aim is to ensure that economic, social and territorial cohesion is at the core of the approach. Following on from this the Structural Funds are to be utilised in a manner that will closely support these objectives and the Commission has provided the Common Strategic Framework (CSF) in order to achieve enhanced coordination between the different funds. The aim of the CSF is to “…increase coherence between policy commitments made in the context of Europe 2020 and investment on the ground. It should encourage integration by setting out how the funds can work together.” (CEC, 2012a, p3). This is intended to allow for the improved integration and focussed use of different strands of the Structural Funds (e.g. ERDF, ESF and the Rural Development pillar of CAP [EAFRD] and the EMFF) to support the achievement of Europe 2020 across the EU as a whole and within Member States. The CSF (CEC, 2012b) guidance gives numerous general indications of ways in which the ‘urban dimension’ could be addressed.
In this context the way(s) in which the CSF is translated/interpreted by Member States will be of some significance. In particular the Partnership Contracts will, potentially, play a significant role in developing a focus on territorial development that allows for the improved integration and focussed use of different strands of the Structural Funds. It is in the Partnership Contracts that one might reasonably expect to see the role of the ‘urban dimension’ within individual Member States more clearly defined, as this will, in theory, structure the (strategic) thinking and actions of Managing Authorities and Operational Programmes. The draft Guidance States:

In order to address key territorial challenges in the preparation of their Partnership Agreement and programmes, thereby taking into account territorial cohesion, Member States shall identify the specific challenges of each region, taking into account the major societal challenges faced by the EU today (globalisation, demographic change, environmental degradation, migration, climate change, energy use, the economic and social consequences of the crisis). According to the intervention logic, this analysis shall help them identifying their specific needs and potential to achieve Europe 2020 objectives, as well as selecting the corresponding thematic objectives, investment and Union priorities, specific objectives and appropriate delivery mechanisms. (CEC, 2014, p2)

In addition post-2014 Cohesion Policy has provided a range of new instruments relevant to the ‘urban dimension’; most notably: Integrated Territorial Investment (ITI), integrated sustainable urban development and Community-Led Local Development (CLLD). In addition the general use (or mainstreaming) of the LEADER approach, which shares much in common with URBAN, offers enhanced encouragement for Member States and Managing Authorities to adopt a more integrated and territorially focused approach that has a significant bottom-up component and allows local communities to take a leading role in their design and delivery. It is these new instruments that offer the potential for an enhanced ‘urban dimension’.

The most obvious example of this is the instrument for integrated sustainable urban development whereby at least 5% of a Member State’s ERDF funds should be allocated to support integrated actions for sustainable urban development. The Partnership Contracts should include a list of cities where integrated actions for sustainable urban development are to be implemented along with an indicative annual allocation for these actions at national level. Also Operational Programmes should include the list of cities where integrated actions for sustainable urban development are to be implemented. So in theory there will be a clear specification of the criteria to be used to select cities for this action in each Member State, although of course this raises questions about how they will be selected, not only in terms of the criteria used but also whether or not cities are involved in the selection process. I would suggest that there is a strong possibility that the cities selected will reflect those already

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5 The Partnership Contract should identify:
- The national strategy, key thematic objectives, indicate financial allocations and provide a list of programmes
- Set out the overarching strategy for developing integrated approaches to territorial development
- The implementation arrangements (see Pucher et al, 2012).
designated as ‘key development nodes’ in national policy, while this may seem reasonable in terms of reinforcing their development it runs the risk of further disadvantaging those not already targeted.

This is an instrument that can be used to tackle a range of economic, environmental, climate demographic and social issues considered to be germane to a particular city. Moreover, it is intended that urban development will be closely linked to an integrated approach addressing the specific needs of geographical areas most affected by poverty, or of target groups at the highest risk of discrimination and/or exclusion. The intention is that this instrument be used flexibly; thus it can be used in relation to the whole city, peri-urban areas and deprived neighbourhoods depending on the particular challenges a city faces. It can also be used to improve urban-rural linkages suggesting a focus on the wider functional urban region and improving linkages and conditions within that region. In relation to this last point it may for instance be possible, depending on the regional context, to use the new regulations on integrated sustainable urban development to support networks of small and medium-sized towns (SMSTs) in rural areas or assist in developing relations between SMSTs and major cities in metropolitan regions. There is also a greater possibility for cities themselves to take on devolved responsibility for developing and managing these interventions, although once again much will depend on the attitude of National governments and Managing Authorities.

The intention is that whatever actions are undertaken should be strategic in nature, related to a clear logic of intervention that identifies needs, challenges and potentials; specifies clear objectives, how change will be brought about and the relationship to thematic investments. Above all the intention is that whatever is done is carried out in an integrated manner rather than in an ad hoc and disaggregated fashion as was too often the case in the past and that this be set out in the Partnership Contracts. Much, however, will depend on the creativity, capacity and political will of the national and regional levels in Member States to move outside of their ‘comfort zone’ and begin to engage in developing genuinely strategic and integrated territorial approaches that cut across the silos of EU and national funding streams.

Urban interventions can also be supported by the Integrated Territorial Investment (ITI) instrument which allows for the bringing together of funding from several priority axes of one or more Operational Programmes funded by the ESF and EDRF for multi-dimensional and cross-sectoral actions. Operational Programmes should identify the ITIs planned and set out an indicative financial allocation for each ITI. An ITI should:

- Designate the target territory and an associated integrated territorial development strategy;
- Specify a package of actions to be implemented;
- Ensure that there are appropriate governance arrangements to manage the ITI.

The regulations allow for a focus on urban areas or other functional territories, the important point is that the areas selected have a coherent functional geography. Thus it can be used in combination with integrated sustainable urban development or as an alternative. ITIs can be implemented by a Managing authority, a city or other body.
Interestingly, my understanding of how this instrument will operate means that it is seen as a more ‘top-down’ instrument with no community involvement required.

The Commission has signalled there is an important role for Community-Led Local Development (CLLD) (for more detail on this instrument see European Commission 2013) in the new programming period and that it is intended as a flexible instrument to be adapted to reflect regional/local conditions. Member States can choose whether to implement CLLD in the entire territory or selected areas/territories (e.g. urban, rural or cross-border). The population included in a selected area can range from 10,000 to 150,000. The role of CLLD should be clarified in the Partnership Contract as part of a broader integrated approach to territorial development at regional and sub-regional level in different types of territories and it should also identify the main challenges and objectives that the will be tackled using the CLLD approach and which thematic objectives CLLD will contribute to.

CLLD is a flexible approach that could be used in a range of different situations: smaller areas within cities (e.g. deprived neighbourhoods, historic centres); SMSTs and their hinterlands; to target particular marginalised groups (e.g. Roma). CLLD should also be seen in relation to the general use of the LEADER approach and, along with ITIs offer enhanced encouragement for Member States and Managing Authorities to adopt a more integrated and territorially focused approach that has a significant bottom-up’ component. In each case, as with LEADER, a Local Action Group (LAG) should be set up to develop and deliver a local development strategy that can run for up to seven years. The LAG will be a partnership drawn from public, private and civil society sectors. The underlying idea is that local communities are empowered to identify the challenges their area faces and develop innovative solutions. The essence of such an approach is that it is bottom-up, the community plays a leading role and a range of stakeholders are involved. Moreover it is intended that local people and businesses in the designated area should be the primary beneficiaries of the action(s) and that the benefits remain within the designated area thereby, theoretically, supporting endogenous development.

Taken together we can speculate that the opportunities available for the development of the ‘urban dimension’ in the post-2014 period have increased. Nevertheless we need to bear in mind that while the overarching regulations and guidance associated with Cohesion Policy provide opportunities to develop the ‘urban dimension’ much will depend on how Member States choose to use them. Arguably there is a greater likelihood of the European Commission being able to influence a Member State where the importance of EU funds is greater (e.g. the Transition and Less-Developed regions). However, even here much will depend on how national governments draw up the Partnership Contracts and decide to address the objectives of Europe 2020 in their particular context. The European Commission can attempt to ‘steer’ member states in particular directions but experience shows it cannot ‘dictate’ or ‘police’ every detail of their actions in relation to European Funds, nor would this necessarily be desirable as Member States need to address the priorities and challenges which they face and see as important. I suspect that initially it is likely that Member States will use the new instruments selectively and that territorial integration will be threatened by the continued presence of sectoral approaches. Thus the way(s) in which the ‘urban dimension’ develops in the coming years is likely to vary from country to country and
within countries from region to region. Much will depend on which cities are selected for action, how ITIs are deployed and the role of CLLD.

**Concluding thoughts (speculations)**

As we are still at the beginning of the new programming period it is rather difficult to be specific about the precise nature of future developments. However, I would suggest that there are a number of general issues we can think about. In terms of the Partnership Contracts (see Pucher, Naylon and Resch, 2012, for a more detailed consideration of their role) it will be crucial that a range of national, regional and stakeholders are involved in identifying the relevant priorities and ensuring that there is a clear integrated territorial focus, the future (desired) direction of urban development is specified and that CLLD is actively promoted as part of a wider territorial strategy. The extent to which this has taken place remains somewhat uncertain, although a report by CEMR (2013) did note that across Member States while local authorities have had some involvement in developing the Partnership Contracts the level of involvement had varied considerably. The evidence they collected also indicated that the new instruments referred to above seem likely to be used in a ‘tentative manner’, with many Member States adapting existing delivery instruments to meet requirements for greater (territorial) integration. Whether or not this will surmount longstanding sectoral divides and lead to the development of an integrated territorial focus must remain a moot point for the time being.

Some Member States will embrace the new opportunities for developing the ‘urban dimension’ enthusiastically, although my guess is that generally this will be articulated with pre-existing strategies related to the development of particular urban areas or groups of cities/towns that have been identified as playing an important role in enhancing national economic development and competitiveness. The degree to which this approach will be used, in combination with other instruments, to address wider territorial imbalances and enhance territorial cohesion is unclear. Also the extent to which responsibility for managing integrated sustainable urban development is devolved to cities is likely to vary. This will partly be determined by the attitudes of national governments and managing authorities but also by the capacity of cities to take on such a task.

In terms of CLLD while the Commission has indicated that there will be an important role for CLLD much will depend on the willingness of national and regional authorities to support and trust relevant local organisations and of course on their capacity to engage with the process. Again there is likely to be considerable variation between Member States and much will depend on what has been developed in previous programming periods and in relation to national policies. For instance in cities that utilised the URBAN approach or have a history of national urban policies involving communities CLLD will provide a range of new opportunities they can access. While in more rural areas where LAGs have previously been established they will also be in a much better position to engage with CLLD.

There are also some more general issues that are relevant. A report for the European Parliament on the legislative proposals for post-2013 Cohesion policy noted the need for the territorial dimension to be more explicitly incorporated into the new provisions governing policy, a failure to clearly define and operationalise territorial cohesion and
clarify what an integrated approach to territorial development actually means in practice (see Mendez, Bachtler and Wishlade, 2013). How, the ‘urban dimension’ fits into this overarching framework is, as I have suggested, also somewhat unclear.

Given the above there is an important governance dimension to how all of this will be achieved. I would argue that this requires the existence of appropriate and interconnected governance arrangements in terms of:

- multi-level governance (European, national, regional and local),
- horizontal governance to facilitate coordination and integration at each level, and
- territorial governance to ensure the development of an integrated territorial approach vis-à-vis the use of CSF, national and other funds (e.g. regional and local).

There are also issues associated with the ability to develop a long-term, integrated and strategic approach to a city and the ‘capacity to act’ (mobilisation). The problem is that not all cities and regions are able to achieve this and thus to take full advantage of the opportunities offered by these new instruments. Very often when cities and towns display a greater propensity to ‘innovate’ and adapt this is strongly rooted in their local milieu, unfortunately this does not take place in all places.

In many ways the key issue then becomes how to develop forms of governance and spatial planning that can support the utilisation of a place-based approach. Based on research carried out as part of the ESPON ATTREG project (Russo et al, 2012) it is important that those responsible for policy carefully identify the forms of territorial capital present, assess its strengths and weaknesses, develop an integrated vision, strategy and set of policies that build upon existing territorial assets while seeking to address deficiencies (in relation to the overall strategy) in the existing territorial capital. In each case the place-based approach must be utilised in a way that respects the regional and local context, actively involves a wide range of local actors and draws upon local knowledge to develop a strategic and coherent long-term approach (see Zaucha and Świątek, 2013). The ATTREG results suggest that this is more likely to lead to sustainable forms of development better able to withstand the “storms” of the current crisis.

In terms of the mobilization process it is important to bear in mind the “time” issue. This refers to the recognition that it requires time to build governance processes, as well as to change territorial performance through implementation and mobilisation of assets. There will inevitably be, a somewhat lengthy, time-lag between actions and results, and this requires a long term perspective. In particular, the building of institutional capital requires time in relation to building vertical and horizontal relationships (mutual trust, institutional settings, etc), as well as the involvement of citizens and the private sector.

ATTREG also identified an important role for strategic spatial planning in terms of developing a vision of a territory that assists in the process of generating a consensus based on specific territorial considerations, and the associated discursive apparatus facilitates the coordination of various interventions (in the sense of developing a shared understanding of their role and aims). In this sense visioning is at the very least
a supportive structure for the coordination of ongoing processes. The institutional setting of governance processes should pay attention to the features that support the creation of an effective combination of vision, implementation, feedback and revision of the strategy to allow for necessary reorientations. This also requires project-based cooperation (i.e. around concrete actions) and nested-scale territorial analysis which are complementary to the processes of formal institutionalization that occur in the formation of governance capacity/mechanisms both within a region and in cross-border regions.
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