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SUSTAINABLE URBAN DEVELOPMENT

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Executive summary

This present study appraises the praxis related to sustainable integrated (participative) approach to urban development during the first half of Cohesion Policy 2007-2013. Urban development is assessed in reference to Art.8 (EC regulations 1080/2006), which supports the development of participative, integrated and sustainable strategies to tackle the high concentration of economic, environmental and social problems affecting distressed urban areas. The Study is based on a survey to institutional stakeholders and on the analysis of 13 Operational Programmes (OPs) selected among 8 old MS (France, Germany, Netherlands, Italy, Portugal, Spain, Sweden, UK) and 6 new MS (Bulgaria, Czech Republic, Lithuania, Poland, Romania); among them 7 regions are eligible under the Convergence Objective and 6 under the Competitiveness and Employment Objective. The examination of these case studies responds to the following questions: 1) How the concept of sustainable, integrated, participative, urban development, the object of Art. 8 of EC regulations 1080/2006, is defined and strategically addressed toward implementation by Managing Authorities and Cities; 2) How well national and regional regulatory frameworks and governance schemes respond to the ERDF procedures and JESSICA; 3) How and to what extent actions regarding sustainable integrated urban development present in the OPs are being implemented; and 4) What lessons can be drawn for the future cohesion policy with regard to the effectiveness of the mainstreaming of sustainable urban development.

1. Definition of sustainable integrated (participative) urban development

The definition of sustainable integrated (participative) urban development is significantly loaded and open to different interpretations. The study reveals that in some cases the four terms - sustainable, integrated, participative, and urban- have been assumed in the OP and by policy-makers in a “unitary” and interdependent way, whether in others they have been employed as “complementary” but not necessarily connected issues. In general, the unitary interpretation of the sustainable integrated participative approach provided by the OPs is substantially consistent with the *Acquis Urbain*, since the inter-relation of the four terms is considered a building stone of the shared language for consolidating a common perspective on European urban policies. However, more in depth analysis of the OPs offers more nuanced and under certain circumstances, conflicting understandings of the single terms.

- “Sustainability” is variably employed to indicate the fulfilment of life chances and needs in the present, without compromising the future of generations to come; the reinforcement of the environment and the regeneration of natural resources; the territorial balance in terms of a fair redistribution of advantages; the achievement of country’s competitiveness in financial terms.
- “Integration” is used for cross-cutting strategy requiring the interdependency of multi-sectoral policies which may lead to the creation of new planning instruments or new governance arrangements; for a mere combination of policies which are juxtaposition of sectoral policies with a limited level of internal cohesion; for the application of ERDF/ESF cross-funding.
- “Participation” is adopted to sustain generic democratic principle, which guides the creation of new (both public/public and public/private) partnerships; formal and informal consultation in the programming phase; Information about the funding opportunities. Few OPs offer precise guidelines for its management entrusting or delegating local institutions, with no evidence of its application.
- “Urban development” is coupled with growth and cohesion. “Development” is taken for granted and it is rarely critically debated and the OPs assume the definition of “urban” according to criteria such as geographic factors and statistics based on the norms provided by the MS.

There is a multiplicity of sustainable integrated (participative) urban development definitions and a marked hiatus between theory, policy making and practice. The interviewees almost unanimously converge on requiring clearer guidelines without additional regulations, and training and peer-exchange learning processes about the implementation of sustainable integrated urban development.

2. Matching of MS regulatory frameworks and governance schemes with ERDF and JESSICA

The majority of case studies showed that there is a beneficial correspondence between the ERDF procedures and the regulatory schemes at national/regional/local level, although the harmonization of different programmes and the pooling together of investment sources require additional efforts in terms of time and expertise by the MAs, which is not always available. Among the 13 cases there are MS that have a short chain of relation between the central and local government: Managing Authorities (MAs) belong to the central government and there is no or little sub-delegation to regional, provincial administration/organization. In others MS there is a more complex - and sometime fragmented-governance system: here tasks are sub-delegated – with/out a subsidiarity approach - to regional governments, provinces, metropolitan administrations, inter-municipal cooperation and external PPP. Despite the governance scheme, the study shows that factors of success derive from the capacity of the MAs to encourage partnership formation and to establish both vertical and horizontal collaborative exchange of knowledge assuming a cooperative rather than merely technically prescriptive attitude. In the three cases in which JESSICA has been analysed (Lithuania, Wielkopolska PL, Andalusia ES), there are no legislative or executive mismatches with institutional frameworks: JESSICA agreements are signed with EIB and calls for proposals are ready to be issued. Instead, the Swedish case reported some difficulties due to institutional mismatch for legislative collision with the creation of the Urban Development Fund. Generally, all interviewees showed a marked reluctance to speak about JESSICA and to provide detailed information. Assigned JESSICA expertise both at MA and municipal level was hard to reach and generally the municipalities' representatives had little or no knowledge about it as municipalities tend not to be involved in JESSICA procedures at first stage.

3. Implementation of actions regarding sustainable (integrated) urban development

There are no unexpected discrepancies between what is declared in the OPs' actions and the project(s) implementation at local level in terms of goals, themes, characteristics and process. The actions promoted by the OPs to put into practice sustainable integrated urban development tackles above all: a) Regeneration and cohesion of deprived urban areas (URBAN-type actions); b) Regeneration of critical urban areas with an urban/ rural relation; c) Integration of specific target groups (migrants, minorities, women, youth, unemployed et al); d) Physical rehabilitation (housing stocks, tourism facilities, urban heritage, public spaces et al) and transport infrastructures and; e) Competitiveness to encourage innovation and job creation.

The line dividing old and new MS in the type of actions financed is still perceivable: the old MS focus interventions in deprived urban areas, with an emphasis on socio-economic measures aimed at recovering internal cohesion of cities and socio-economic disadvantages with reference to Art. 8; the new MS focus on reducing structural imbalance in respect to other regions and European states, with an accent on hard measures resulting from chronic underinvestment and the actual need for the modernization of basic infrastructure. In terms of implementation, the majority of projects are about to be implemented and others may show early stage results. Advanced-stage results are present in some old MS under Convergence Objective. Despite minor ERDF funding, the implementing bodies of EU12 can count on past experiences and know-how in designing and carrying out integrated policies, speeding up the projects implementation procedures. Here, the OPs are designed to connect projects and strategies under a comprehensive and multi-scalar vision by linking existing national/regional/local programmes considered successful in terms of sustainable urban regeneration.

4. Effectiveness of the mainstreaming of sustainable urban development in relation to Art. 8 and lessons

The ERDF budget allocated to the totality of the thirteen OPs (all axes) is about €19.78 bn of which 22% is dedicated to priority axes showing a relevance in the urban dimension. Although the urban dimension seems to be a considerable part of the ERDF expenditure (more so for the new MS), most OPs dedicate to it one or more priority axes and some others use the concept of integrated urban development as a crosscutting theme. Art. 8 - even though only quoted in a few of the 13 OPs official documents - is known among policy-makers and relevant institutional stakeholders, but only two OPs exploit the option of maximizing cross-financing to 15% in relation to Art. 8 and Art. 34¹ to implement sustainable integrated urban practices. However, Art. 8 principles are a source of inspiration and are generally in tune with national (or regional) frameworks. Problems rather arise at the implementation level. Cities with more experiences in URBAN-type actions are better equipped to carry out participa-

tive procedures and are more advanced in the processes of project implementation with an emphasis on soft measures such as job creation, education and social integration. On the contrary, most OPs under the Convergence Objective and few under the Competitiveness and Employment Objective tend to carry out sectoral practices with a limited integration of policies. Delays in the implementation are present in many case studies due to the economic crisis, the difficulties in co-funding, the time necessary for setting up JESSICA financial tools, the fragmentation of the administrative system at home and the lack of institutional coordination, and sometimes the low quality of projects submitted. A common trait is that there is not sufficient participation in the programming and ownership of the actions, a result confirmed both by the ex-post evaluation of the URBAN programming period² as well as by the “Framing the urban dimension” report³. Among the 13 case studies, participation is predominantly meant as formal and informal consultation of institutional actors in the programming phase. Municipalities are for the majority absent in the drafting of the OP, but in virtuous cases they collaborate closely with the MAs in the implementation phase also with the support of intermediary bodies. This has resulted in a maximization of the potentials for sustaining integrated policies. Instead, citizens rarely have the ownership of the projects; an exception is made for those cases in which public participation seems to be an integral part of the MS governance system⁴. Single practices both in new and old MS show positive progress but the struggle in converting integrated policies into practice are evident. The responses of the interviewees testifies the need for additional training of institutions and policy-makers in terms of peer-exchange, in the same country and among other EU MS, to sustain mutual learning.

As conclusion, the slow progress in the implementation of actions in the 13 cases does not allow a complete assessment of the effectiveness of the mainstreaming of sustainable urban development in relation to Art. 8. Moreover, the lack of information from the ground shows that ad hoc evaluation should be conducted, with a more radical bottom-up approach including non-institutional stakeholders. In addition, some topics tend to be underestimated in most OPs such as the limit of urban growth and territories “carrying capacities”. The capacity to rethink critically the same concept of development in the face of conflicting interests should be taken into consideration towards the achievement of a sustainable equilibrium of the human habitat.

1 Introduction

1.1 Objectives and scope of the Study

In 2008 the study “Fostering the Urban dimension”⁵ drew the first picture of how different aspects of urban development have been taken up by the Operational Programmes (OP). The main conclusions were that questions related to urban development are important for more than half of OP; there is an increased financial share to urban development operations, although sectoral policies remain prevalent over the integrated ones; and that local involvement and participation is still a crucial challenge. Starting with this knowledge, the objective of this Study is to assess how the mainstreaming of sustainable integrated urban development has been interpreted and defined in the OPs and consequently translated into actions to be implemented through projects at local level. Of particular interest is how Art. 8 of the ERDF regulation⁶, and Art. 44 of the general regulation⁷ with regard to funding via JESSICA of Urban Development Funds are being conveyed by the member States and their Managing Authorities. In order to achieve this scope, the Study responds to the following four main objectives, which are developed the definition of sustainable integrated urban development, the match and mismatch of ERDF and institutional framework, the implementation of projects based on OP actions and their effectiveness, developed according to this structure:

Chapter 3 presents the approach taken with regard to the definition of sustainable urban development and how is the integrated approach being defined in the Regional Operational Programmes.

Chapter 4 discusses how well existing national and/or regional frameworks correspond to the ERDF operations under Art. 8 and JESSICA and the type of relation existing between Managing Authorities, Municipalities and relevant stakeholders.

Chapter 5 presents an overview of the OPs actions dedicated to urban development and assesses how and to what extent the actions regarding sustainable (integrated) urban development present in the OPs are being implemented.

The last chapter concludes with an answer to the question “What lessons can be drawn for the future cohesion policy with regard to the effectiveness of the mainstreaming of sustainable urban development?”

1.2 Terminology

Sustainable Integrated Urban Development

This text uses the concept of sustainable integrated urban development as a mainstreaming approach⁸ based on the following documents⁹: the “Renewed EU Sustainable Development Strategy”¹⁰ from June 2006, the “Urban Dimension in the Community Policy 2007-2013”¹¹ and the integrated measures from the general provisions on the Structural Funds.¹² Nevertheless, the mainstreaming of the sustainable integrated urban development does not propose normative prescriptions and in so doing it keeps the doors open to different interpretations and application under the responsibility of MS.

Art.8 of the ERDF regulation (reg. EC 1080/2006)

Art.8 defines the scope and strategies of intervention in distressed urban areas, and provides an enlarged set of eligible operations. This non-mandatory provision recognises – for the first time – the development of disadvantaged urban neighbourhoods as an important task within ERDF Operational Programmes. “In the case of action involving sustainable urban development (...), the ERDF may, where appropriate, support the development of participative, integrated and sustainable strategies to tackle the high concentration of economic, environmental and social problems affecting urban areas. These strategies shall promote sustainable urban development through activities such as: strengthening economic growth, the rehabilitation of the physical environment, brown-field redevelopment, the preservation and development of natural and cultural heritage, the promotion of entrepreneurship, local employment and community development, and the provision of services to the population taking account of changing demographic structures” (EP; CEU 2006).

Integrated planning instruments

Integrated Planning instruments are plans, programmes or schemes that are a mandatory requirement in an Operational Programme to collate different aims, priority axes and cross sectional themes into a single integrated strategy. Those integrated planning instruments can already exist in the national/regional/local institutional framework, or be newly established in order to implement integrated policies with ERDF.

Intermediary body¹³

Intermediary body can be an institution, a department, an administration or an organization to which one or several tasks and/or functions regarding the OP management are delegated. Whenever the delegation of tasks is directly assigned from the MA to an institutional body, the Study defines it as “first level intermediary body”. If there is a further level of delegation of tasks entailing contractual agreements to third parties, we refer to it as “second level intermediary body”. The latter are often service partners or sub-functional offices, which act as technical support or as mediator between the MA and the local level.

JESSICA

JESSICA stands for Joint European Support for Sustainable Investment in City Areas, an initiative developed by the European Commission (EC) and the European Investment Bank (EIB), in collaboration with the Council of Europe Development Bank (CEB). Under new procedures, Member States are given the option of using some of their EU grant funding, their so-called Structural Funds, to make repayable investments in projects forming part of an integrated plan for sustainable urban development. These investments, which may take the form of equity, loans and/or guarantees, are delivered to projects via Urban Development Funds and, if required, Holding Funds. Only those developments contributing to sustainable urban transformation objectives can count on JESSICA funding whose requirements are that: projects must be part of an integrated plan for sustainable urban development; and

projects must be capable – through user charges, revenue generation from market transactions, or other payment mechanisms – of remunerating investors or otherwise reconstituting the funds invested.

Actions and Projects

This Study premises a difference between the terms of “action” and “project” in verifying the actual implementation into practice of the principles expressed in the OPs regarding sustainable integrated urban development. Actions are the lines of intervention presented in the OP text, or by a secondary level intermediate body that translates the OP into specific strategies. Projects instead are the single interventions taking place at local level, which can give an account about the factual implementation of the OP actions in practice. They can be seen as the operative answers coming from the local level to respond to the strategic aims of the OPs.

2. Methodology and content production process

2.1 Thirteen case studies: selection criteria and analysis

The study is based on the analysis of 13 cases studies with their respective Operational Programmes co-financed through the ERDF (European Social Funds and Cohesion Fund are excluded). The case studies were selected together with DG REGIO Unit C2 according to the selection criteria of the official terms of reference¹⁴.

The assessment covers the OPs in 8 old MS (France, Germany, Netherlands, Italy, Portugal, Spain, Sweden, UK), 5 in new MS (Bulgaria, Czech Republic, Lithuania, Poland, Romania) and specifically for JESSICA application the OPs of Lithuania, Poland, Spain¹⁵. The analyzed OPs deal with the national territory, region or even city scale and the appraisal of the project implementation at local level concentrates only on one city for each OP selected.

Country	Operational Programme (OP)	OP territorial scale	City	Region
Bulgaria	OP Regional development	State	Sofia	Convergence
Czech republic	OP Moravia-Silesia	Region	Ostrava	Convergence
France	PACA Provence-Alpes-Côte d'Azur	Province	Marseille	Competitiveness
Germany	OP Berlin	City	Berlin	Competitiveness
Italy	POR CReO Tuscany	Region	Florence	Competitiveness
Lithuania	OP Promotion of cohesion	State	Vilnius	Convergence
Netherlands	GO: Gelderland & Overijssel: East Netherlands	Province	Arnhem	Competitiveness
Poland	OP Wielkopolska	Region	Poznan	Convergence
Portugal	OP Novo Norte	State (delegation to region)	Porto	Convergence
Romania	Romania	State	Brasov	Convergence
Spain	Andalusia	State (delegation to region)	Sevilla	Convergence
Sweden	Western Sweden	Region	Gothenburg	Competitiveness
UK	London	City	London	Competitiveness

2.2 Research methodology

The study uses two main sources of information based on desk research (studies, evaluation, official documents, and the officially adopted OP texts¹⁶) and on direct contact with relevant stakeholders (managing and implementing authorities, first and second level intermediary bodies, municipalities and DG-Regio members¹⁷). For the 13 case studies 26 questionnaires were distributed to managing and implementing authorities and to municipalities or second level intermediary bodies (21 returned), over 50 people were contacted and 12 online interviews conducted. The information collected was assembled into 13 schemes, one for each case study, according to a unique template subdivided into thematic sections to allow comparison of the results in a synthetic manner (cfr. the Appendix).

3. Sustainable Integrated Participative Urban Development in the OPs

3.1 Definitions and interpretations of sustainability

Given the assumption that *development* is the common objective of all ERDF Operational Programs, it was one of the primary step of this study to understand how the terms of sustainable, integrated, participative, and urban and their inter-relation are interpreted in the conception and in the implementation of the OPs. The OP definitions of sustainability mostly refer to official EU documents or to programmes adopted by the institutional framework of the MS. The term integration of policies is mostly a transversal principle of good governance rather than a prescription under specific rules and it usually depends on the precondition, patterns and governance arrangements of the country analyzed. The same can be said for public participation, where very seldomly there are specific references or guidelines in the OP texts. In contrast to the concepts clearly expressed in the OP texts, the interviewees showed a certain evasiveness in expressing their opinions regarding “sustainable integrated urban development” in the implementation practice, with few exceptions - mostly from those countries experienced in URBAN-type actions.

- The majority of OPs adopt a far-reaching principle of sustainability, such as an integral approach to growth - or development process - combining together the policies of economic, environmental and social dimensions to fulfil life chances and needs in the present, without compromising the future of the generations to come (e.g. OP of London, Berlin, Tuscany, Gelderland Western Sweden).

OP Western Sweden: sustainable development is “composed of further interdependent dimensions such as economics, environment, health, inclusion, diversity and equality”. *OP Berlin:* “the fulfilment of life chances such as for situations of insufficient education or missing educational attainment, risks of poverty in connection with social exclusion and risk of criminal activities”.

Otherwise the concept of sustainability is used in terms of:

- Crosscutting principle derived from European guidelines, but with a specific environmental focus. (OP Novo Norte, Portugal: 143) when associated with the preservation of natural resources, waste and water pollution etc. (OP Wielkopolska, Poland:113).
- Territorial balance in the distribution of advantages, since it seeks to recover a comprehensive vision of the economic, social and cultural systems of the city, which is able to overcome the logic of unlimited growth alone as the engine of urban development. (OP Andalucia, ES)
- Combination of economic, environmental and social development, towards “self-sustainability” and competitiveness of a country in financial terms, so meaning the capacity of investments and public expenditures to engender revenues and economic growth. (OP “Regional Development” Bulgaria, OP Romania, OP Silesia-Moravia)

In few cases, a definition of sustainability is not provided in the OP but only references to officially adopted documents such as the EU guidelines or the national institutional framework (e.g. MSRC 2007: 67 OP Silesia-Moravia GRL 2003 in the OP Lithuania).

3.2 Integrated approach in the urban dimension

The “integrated approach” is adopted and contextualized in various OP passages. Its definitions are heterogeneous and not necessarily used in terms of inter-relation of policy planning and implementation offering the following interpretations of integration as:

- A cross-cutting strategy in relation to sustainability which requires the interrelation of sectoral policies (economic, environmental, social, health, education, culture, mobility) into comprehensive and interdependent strategies. For some OPs this means the creation of new planning instruments such as Integrated Plans.

PACA, FR: “Particular attention will be placed on the vision of integrated actions to the affected areas and to support the emergence at the neighbourhood level of structures federating residents, planning professionals, economic actors, associations, to define a shared strategy of development and to implement projects arising from consensus”. *OP Bulgaria:* “Integration means not to understand the priorities as single tasks but more as combinable strategies”

- A combination of the main three dimensions - economic, environmental and social – for sustainable development, which may turn into a juxtaposition of sectoral policies whenever there is a limited level of internal interdependency.
- Consolidation of actions and projects through ERDF/ESF cross-financing Art. 34.
- Cooperation among different institutional levels and administrations into new governance schemes. E.g. inter-municipal cooperation (*OP Bulgaria MRDPW 2007: 77*).
- Incorporation of socio-cultural issues (immigration, women, gender, social cohesion),
- No precise or totally missing interpretation of integrated approach to urban development

3.3 Participation as an approach for the implementation of ERDF

The past shows that the involvement of local authorities in the design and delivery of EU funding was successful in URBAN Community initiatives¹⁸. Moreover the same programmes and the first phase of the URBACT II Fast Track Networks¹⁹ demonstrate that multi-stakeholders cooperation is an essential means to actively involve citizens, with the effect of narrowing down the distances between European policies and local perspectives and needs. The Regulations for 2007-2013 offer many inputs for improving governance of urban development. So far, many of them have not been exploited or taken on-board in the programming documents. This includes aspects such as appropriate local involvement in the design and programming of OP strategies or the active participation of citizens in the process. The concept of participation is not sufficiently addressed in the majority of the 13 OPs and its concepts are spent as generic democratic principles used in correlation to information and divulging of data to the wider public, consultation of relevant actors, partnership building:

- a) Most OPs use formal and informal consultation procedures with relevant stakeholders, with a prevalence of institutional actors (e.g. OP Moravia Silesia; OP London; OP Regional Development Bulgaria; OP Berlin, OP Tuscany IT, OP Andalusia ES) or wide information campaigns (e.g. OP Novo Norte, PT).

OP Wielkopolska PL. Public consultation was conducted during the elaboration of the Programme. Over 1200 social – economical partners and potential beneficiaries were asked to give their opinion in this matter. In 2006 was created a new instrument for dialogue with potential beneficiaries. A regional System for Projects Registry - SPR was introduced in the internet website. Potential beneficiaries sent over 3000 proposals for projects for realization within the framework of the Programme 2007 – 2013. The data, collected in the System (about 2300 projects) informed about the structure of beneficiaries’ needs, divided into priorities and measures. They were also one of the most important reasons for finally establishing the Programme’s financial tables, and above all it was a way for motivating beneficiaries (on working) to work on their projects. Finally, consultation tables in the most important regions were realised. The effect was a systematic modification of individual paragraphs of the Programme.

b) Partnership building can be a specific OP requirement or a voluntary act of some stakeholders carrying out specific OP actions (e.g. OP Lithuania, OP Berlin creates a *Koordinierungsbüro*).

c) Information, especially its distribution to the wider public, is often at the very last moment as to divulge the funding opportunities to possible applicants, but appropriate strategies for communication such as very updated and user friendly websites (OP Western Sweden) or manuals for applicants (OP London) have been prepared. The OP Gelderland from the very beginning there is a transversal cooperation between MA and cities, both in the definition as well as during implementation process.

d) Among the 13 OPs few from old MS highlight the importance of participative approaches in urban development offering precise guidelines regarding citizens involvement. In those OPs, set in political frameworks familiar with institutionally based participative practices, the OPs hand over the process to associations in close contacts with citizens or count on the existing know-how developed by neighbourhood and district administrations, or e.g. Berlin DE, POR CREO IT, Gelderland NL, OP Western-Sweden, OP London.

OP Tuscany. The regional law L.R. 69/2007 requires all the administrative levels to guarantee the participation of citizens in every phase of the procedures. For this purpose, the "Communication Authority" (*Garante per la Comunicazione*), was also created with the task of guaranteeing the transparency of government acts and the right to initiate participative processes about specific local issues on the request of formal or informal groups of citizens.

Some OPs directly refer to their positive experience with the URBAN Community Initiative. "*In Spain, the experiences of two generations of URBAN, for the first time brought citizens close to EU projects and this was a success*" (MA Spain: Interview Feb. 2010), although this opinion is not always shared among many citizens who took part in the participatory processes. The OP Berlin is the only case in which citizens also participate in the budgeting based on the URBAN experiences and Soziale Stadt.

OP Berlin, DE. Residents can participate in planning processes through the sub-themes of actions for assigning budgets to projects. In particular, one sub-theme regulates the micro financing by *Quartiersfonds* in which residents are included to the decision-making of funding allocation. In another sub-theme residents are supported to establish networks of affected people (*Betroffenenvertretung*). "These groups of affected parties are integrated into the institutionalised procedures of decision-making for the affected neighbourhood. [...] Not only classical technical innovations are elements of integrative promotion, but also new ideas based on experience (based) and social innovation are important potentials" (SoB Berlin DE 2007: 45).

3.4 Identifying the urban dimension

The definition of the "urban" to identifying pivotal areas of intervention is certainly influencing the type of actions aimed at a full-fledged sustainable integrated and participated development. The notion of urban is often used as a catch-all; but in fact differentiated forms and scales of urban concentration characterise environmental, economic and social development patterns and interaction. Particularly the interplay between urban centres their role in a hierarchical structure, their relationship with own catchment's areas and spheres of influence refer to different models such as polycentric urban region (ESDP European Spatial Development Perspective 1999), metropolitan area, regional pole, suburban territory, intermediate hinterland, rural hinterland, remote rural, city, town, neighbourhood et al. In the 13 cases there are OPs that coincide with the urban area of major cities (London and Berlin): their priority axes assume urban development in all their actions without any specific definition. In the national OP Lithuania there is not an exclusive focus on the urban scale since its goal is the reduction of the disparities between the urban and rural conditions in the sectors of the economy, society and environment. Instead, more articulated locutions of urbanization are employed to implement actions regarding metropolitan areas (with appropriate governance arrangements such as Marseille Province Metropole PACA FR) and "sub-regional centers" (OP Moravia-Silesia), growth poles polarization (OP Romania²⁰) and inter-municipal agglomeration. National reference schemes and programs define the recipients of urban actions pre-selecting eligible municipalities with particular characteristics (e.g. OP Spain, OP Romania, OP Gelderland, OP Bulgaria²¹) which may have a role in terms of regional network development. A further distinction among the analyzed cases regards

the prioritization of deprived/critical urban areas: their selection is based on a combination of statistical parameters such as multiple indexes of deprivation and criteria varying according to the institutional frameworks and national/regional/local programmes.

OP Moravia-Silesia CZ: "Deprived area – in a regional context shows unfavourable values of at least 2 indicators based on article 47 Implementing Commission Regulation No 1828/2006 Deprived areas (zones) with a concentration of negative phenomena, such as high unemployment, criminality, social exclusion, etc."

OP PACA FR. The *espaces urbaine sensible* are priority areas identified by the national strategic assessments and eligible for State-city contracts as the CUCS.

OP Western Sweden. "Deprived urban areas" are defined at city level and recognised as such by the National Policy Local Development Agreement (LDA) stipulated between the municipalities and the central government for the implementation of urban regeneration strategies.

3.5 References to Art. 8 in the OPs

Implicit references to the content of the Art. 8 of ERDF reg.1080/2006 are present in all OPs examined, whenever actions responding to sustainable integrated urban development in which participated the whole of civic society are carrying out interventions engaging the most vulnerable parts of cities. Despite that, quotations of the same Article are present only in 5 OPs texts out of 13, namely OP Bulgaria, OP Tuscany IT, OP Gelderland NL, OP PACA FR, OP Western Sweden. The survey shows that the majority of the interviewees were familiar with Art. 8, and declared that even in those cases where the OP texts did not manifestly mentioned it, the OP actions or sub-themes were inspired by the ideals conveyed by Art. 8. The following points report in greater detail the consideration given to Art. 8 in the 13 OPs:

- Priority axes or actions, which explicit acknowledge Art. 8

In France the National Strategic Framework²² proposes to dedicate an axis to urban interventions related to the Art.8 of ERDF regulation, which "supports the development of participative, integrated and sustainable strategies to tackle the high concentration of economic, environmental and social problems affecting urban areas". Despite that, few regions in France chose this solution²³.

OP Berlin: The entire concept of priority 3 "Integrated Urban Development" - *Integrierte Stadtentwicklung* - is based on the principles of Art.8. Moreover, the implementation of Art.8 is encouraged by project developments at local scale as foreseen by the Priority 3 and by providing 1/5 (about 20%) of ERDF funding to actions specifically concerning sustainable urban development applying Art.8.

(OP Western Sweden) The Art.8 is mentioned in relation with the employment of the 15% funding related to Sustainable urban development (European Parliament and Council Regulation (EC) nr1080/2006, Art.8). In the rest of the text there is not real relation between Art.8 and urban development related to deprived urban areas, but the whole priority 3 is completely based on the principles expressed by Art.8.

OP Regional Development Bulgaria, There is one reference to Art.8 under the operation 1.4 of priority axis 1. However, Art.8 has been incorporated as a basic principle of implementation through integrated urban regeneration and development plans sensitive to social and functional diversity with particular attention to fight social exclusion and recycling and/or restructuring underused or derelict urban sites and areas.

- Planning instruments inspired by Art. 8

OP Tuscany IT. The PIUSS (Integrated Plans for Urban Sustainable Development) is a planning tools be developed through local participative strategies specifically designed to respond to the Art. 8 principles.

OP Moravia Silesia. Despite the absent quotation, sustainability and integrated approaches for tackling environmental and social problems are taken into consideration via Integrated Urban Development Plans (IUDP) roughly 2/3 of priority axis 3-allocation. The IUDP prepared by major towns must be coherent with Art.8.

- OPs with no quotation of Art. 8 but with a clear reference to its principles

OP Lithuania. Priority axis 1 "Local and urban development, preservation of cultural heritage and protection of nature and its adaptation to development of tourism" includes a focus on high concentration of economic, envi-

ronmental, and social problems especially in relation with residential areas without mentioning Art.8. However, the survey to the Lithuania MA declared that the whole priority 1 is directly connected to the content of the strategies mentioned in the statements, although not all aspects of Art. 8 can be considered for the territories covered by the OP²⁴.

In the *OP London* there are no direct references to Art.8 but its core ideas are a guidance for the praxis in “promoting sustainable, environmentally efficient growth by capitalising innovation and knowledge resources with a focus on social inclusion in areas where this is most needed”.

OP Novo Norte PT. Art. 8 is not explicitly quoted in the OP, but “our praxis expresses the high relevance of Art. 8 in supporting the development of participative, integrated and sustainable strategies to tackle the high concentration of economic, environmental and social problems affecting urban areas.” (MA, interview Feb. 2010)

3.6 ERDF/ESF cross-financing

Cross-financing between ERDF and ESF is the possibility to fund with ERDF funding ESF type of actions, according to the limit of 10% for priority axis EC “Flexibility facility” Art. 34. This option can be maximized in combination with Art. 8, thus allowing the rate of cross financing to be raised to 15%, allowing financing of integrated urban programmes. This opportunity is not fully exploited by all the OPs and there are few cases in which cross financing has been coupled with Art.8.

OP Berlin. The option for cross financing is exploited in association with Art. 8 as prescribed by the OP. “The practice in Berlin demonstrates that additional flexibility beyond what already allowed by this flexibility clause would allow to fund more bottom up projects since ERDF projects focused on deprived urban areas with citizens participation turn out to have an higher demand of ESF type actions” (*OP Berlin: Interview 2010*).

Among the case studies some OPs allow the application of cross funding under specific themes (e.g. *OP Bulgaria* “Support for development of tourist attractions”), under limitation to one or two priorities (e.g. not allowed in the axis 5 of *OP Tuscany*; *OP PACA FR* considers it in eight out the eighteen measures part of the OP six axis) or do not allow it at all (e.g. *OP Romania*; *OP Czech Republic* allows it occasionally for individual projects, but not in the frame of IUDPs).

4. Governing and implementing Art.8 and JESSICA

4.1 Regulatory and institutional frameworks responding to ERDF

4.1.1 Governance schemes

The governance schemes for ERDF management are determined by the institutional framework in the MS. Delegation vs. centralization represent the main divergence on how the ERDF are administered and two main tendencies can be envisaged in the OPs analysed:

- “Polarized schemes” in which the relation between State level Managing Authority and local administrations has no or little sub-delegation of tasks. (e.g., *OP Romania*, *OP Lithuania*, *OP Spain* et al.)

Spain. The MA of the ROPs is at central level, and manages the urban actions through the URBANA scheme at a national level, dealing directly with the applying municipalities. “This is an attempt to mitigate the strong “power” (sic) of regions” (interview 2010). It is worth to note that the URBANA scheme is managed by the Ministry of Economy and Finance in collaboration with the Ministry of Environment and the Ministry of territorial Policy, but there is not a Ministry dedicated to urban affairs.

- “Multi level schemes” in which complex -and sometime fragmented- governance is articulated through several scales and actors: here tasks are sub-delegated – with/out a subsidiarity approach - to regional governments, provinces, metropolitan administrations, inter-municipal cooperation and external PPP.

In cases like France, Sweden or Portugal, the governance model adopts several agencies and intermediate bodies

at different levels - although led or significantly participated in by state powers - sub-delegating some tasks. In addition, the reinforcement of the central management and coordination of territorial planning in a state-led perspective with regional sub-delegation “encourages country development under a common vision” (MA interview: Feb. 2010).

Portugal. Managing Authority is set at a regional level, but it is a state agency, as in Portugal regions do not have elected bodies. In the case of Porto, even the company (RSU) created to manage the renewal plan of the urban centre is co-owned by the state and the municipality. In this case, the State is the direct manager at all the levels of implementation of the ERDF scheme.

France. MA is the Prefecture, a governmental non elected body, which acts in coordination with the regional government. Monitoring and intermediary bodies set at different levels are state-participated agencies. France’s strongly centralised national framework produces a complex and articulated territorial governance at multiple levels, including numerous agencies, committees and strategic programs.

Having a matching and articulated multilevel policy framework addressing the territorial cohesion is not always *per sé* a sign of success in setting integrated policies; on the contrary, it can result in complicated and conflicting procedures slowing adoption and implementation processes, as lamented i.e. in the French case or in complex Institutional structures managing ERDF²⁵. On the other hand, regional autonomy and articulated subsidiarity measures are in general the basis for a more fluid implementation of integrated approach to urban planning. This condition is generally associated with a stronger capacity to adopt participative approach.

OP Tuscany. The Italian legislation grants to the elected Regional government full autonomy on territorial policy. The MA is the Regione Toscana, employing ERDF in the context of an articulated governance scheme responding to the principles of subsidiarity among including Provinces, Municipalities and inter Municipal agglomerations in programming territorial cohesion.

4.1.2 Match and mismatch of ERDF and governance structures

There is no evident mismatch between ERDF and national (regional) regulations, and Managing Authorities and Intermediary Bodies see the implementation of actions funded by the ERDF as quite well integrated in the local strategic framework. The survey highlighted that practical experience and knowledge required to manage implementation processes respecting regulations and guidelines of EC are rather a problem, as well as the lack of transmission of local knowledge of territorial issues to the authorities designing general strategies of the OP. In the case of OP London the interviewee reported a general lack of match funding and complexity of ERDF eligibility requirements. Moreover, political problems may be encountered in the identification of the objectives not in the purely technical decision brought forward by existing programmes.

OP Berlin DE: The OP strategy strongly relates to the existing policies already employed and tested in the country, and ERDF are used to reinforce the sustainable integrated approach already put in place by programmes such as the Federal *Sozialstadt* and the local framework of the “Overall Strategy Berlin”.

OP Tuscany, IT. The ERDF principles fit quite well in the Regional Law 3.01.2005, n. 1 “Rules for Governing the Territory” defining the tools of territorial planning at Regional, Province level, Municipality level as they must provide an integrated assessment (*Valutazione Integrata*) taking in account their effects in territorial, environmental, social and economic and human health terms.

OP PACA FR. The ERDF funded actions, gathered under a common strategy with ESF actions named “A dynamic of agglomeration for the deprived urban areas”, reinforce existing state – local contracts and pick up strategies already designed within in this framework. The measure related to Urban Sustainable Development is concentrating on deprived areas identified at national level by the ANRU (Agence Nationale Renovation Urbaine) and subject to the CUCS scheme (Contracts of Urban Social Cohesion).

4.1.3 New instruments for Sustainable Integrated Urban Development

Challenging both the sectoral articulation of public policies and the dominance of institutionally centralised actors in the strategic territorial planning, the integrated approach may call for the employment of new planning or programming tools and governance arrangements to manage sustainable development projects.

Integrated planning instruments, whether a requirement of the OPs or part of existing national schemes, are relatively new, and their application and conception varies with great extent among the MS. Two main cases are found among the cases studied:

- OP / NSRF define specific instruments for integrated sustainable development as mandatory requirement to implement ERDF actions (Italy - PIUSS²⁶, Spain – PIDUSS -specifically related to JESSICA, Romania –PIDU, Bulgaria - SIUDP). Poland, Spain, Lithuania explicitly adopt the principles of Lisbon and the European “*Urban Acquis*” as a reference for setting new national planning tools and national frameworks.
- OPs direct ERDF into existing national policy frameworks which are focusing on integrated urban development with an emphasis on deprived urban areas (France – CUCS, Germany - Soziale Stadt, NL - Major Cities Policy GSB, Sweden - LDA).

OP Spain. NSRF defines a specific “Spanish strategy for the local and urban sustainability”. The Urban axis of the OP concentrates their actions into two schemes for local (over 20.000 inhabitants) and urban (over 50.000 inhabitants) sustainability. Cities with more than 50.000 inhabitants participate to national Program, called URBANA, which mainstreams to the whole national territory the praxis of previous URBAN initiatives. An integrated plan has to be in force in order to access funds.

According to the analysed cases, their efficacy and capacity of supporting full-fledged integrated strategies at local level, is connected to the pre-existence of consolidated experiences in multileveled and integrated policy to which URBAN community programmes and participation in networks as URBACT II have contributed²⁷. Especially in the new MS, the lack of familiarity with regards to an integrated approach is strongly perceived, and in several cases, the elaboration of integrated plans may result more as a collection of projects deriving from local pressing issues, than a mutual and participated process of co-evolutive construction of strategies.

4.1.4 Strategic Planning and municipal cooperation

An aspect influencing the implementation of sustainable and integrated urban development is the diffusion of strategic planning tools of new generation in the local frameworks. With a full range of interpretations going from visioning, to marketing or coordinating future urban transformations, strategic tools are mainly defined as *processes* rather than traditional plans, and imply the inclusion of different stakeholders and sectors in multi level and negotiated strategies for urban transformation. Specific integrated plans required by ERDF urban axes can often rely on general strategic visioning proposed by those operations as Metropolitan or Municipal Strategic Plans, or be developed as a part of their implementation. Cities which put concrete efforts into the elaboration of wide scope strategic plans seems to be more apt to elaborate and implement ERDF sustainable urban actions due to the cooperative processes put in action by those instruments, as in the case of *Firenze Città Futura*²⁸, The London Plan, the *Plan Estrategico Sevilla 2020*, or *Zukunftsinitiative Stadtteil Berlin*.

In some national frameworks, the programming of European Funds for urban development supports the creation or development of networks of municipalities. The existence of networks of cities at national level represent a significant asset in the deployment of integrated urban plans at local level, responding to a common demand for knowledge-exchange and consolidation of cross-sectoral policy, as well as enhancing inter-municipal cooperation beyond the contextual needs deriving from proximity in urban agglomerations.

Spain. Red de Iniciativas Urbanas. The Urban Initiatives Network is one of the sector networks provided in the Spanish Benchmark Strategic Framework for the 2007–2013 funding period as one of the main coordination mechanisms with regard to urban development and community funds²⁹.

France. Town Planning Agencies as the AGAM in Marseille act as monitoring bodies on implemented urban policies, produce diagnostic frames on cities and run observatories on deprived urban areas (Observatoire de CUCS). They

4.2 Finance and JESSICA

4.2.1 ERDF, national and local budget for Urban Development

The ERDF budget of the 13 OP studies (all axes) is about €19,780,178,832 (€19.78 bn.), 22% of them equal to €4,378,866,924 is dedicated to priority axes with a particular urban dimension. Within the 13 cases some OPs allocate only 5% of the total ERDF budget to the axis with an urban dimension (Poland 5%, Spain 6%) and others allocate more than a half of the total ERDF to axes with an urban dimension (Bulgaria 52%, Lithuania 57%). The national co-financing budget of all 13 cases for priorities with urban dimension is in average 38% or €1,670,700,880; however, a clear distinction is shown between the OPs with ERDF objective “Convergence” and “Competitiveness”. The national co-financing of the “Competitiveness” regions is about 100% or higher (the national amount for OP ‘Tuscany’ is about 356% or for OP ‘Provence-Alpes-Côte d’Azur’ 168%). In contrast, the maximum amount of national co-financing of priorities with an urban dimension within the “Convergence” regions is 54% (OP ‘O Novo Norte’, Portugal). OP Moravia-Silesia, CR and OP Lithuania are the cases with the lowest national co-financing rate of 18%. The only exception is the OPRD, Bulgaria that is targeting both the objectives “Convergence” and “Competitiveness” with a national co-financing rate of 18%. The financial contribution at regional level has been not declared in the research questionnaire by the interviewee and the survey’s results shows that apparently the national and/or municipal levels take a prevalent involvement in the co-financing ERDF for projects with an urban dimension. In the OP Gelderland NL, OP Lithuania there is a consistent private contribution to the ERDF co-financing compared to municipal and national co-financing; in the other case studies, at least at this stage of the assessment, private contributions seem to have little significance in the budgeting of sustainable integrated urban development funded by ERDF. This is possibly due to the fact that the complete allocation of ERDF is still not covered, projects are in the initial phase of implementation in most cases and the overall panorama may be subject to change.

The ERDF budget is distributed to cities mainly in two ways: either there is an equal distribution to all cities through global grants (e.g. Spain, France, partially Romania) or the municipalities have to bid for ERDF budgets. Some of the budget has been distributed with the requirement of a co-financing for particular projects; others are allocated directly to the projects without further requirements on co-financing. However, managing authorities or municipalities with an interest in implementing large urban projects (OP Western Sweden, OP Bulgaria) or with the aim to redevelop wide urban areas (Lithuania, OP London OP Moravia-Silesia, CR) with the support of ERDF tend to the search for private co-financing through multi-stakeholder partnerships able to carry out such types of ventures and possibly use the opportunity of JESSICA.

In the cases analysed, although consultation of institutions and associations appear to be present in most experiences, the financial issues of urban development projects were not approached with participative methodologies involving non-structured actors such inhabitants (only through “Quartiersfonds” in Berlin citizens can decide on project applications and ERDF allocation within a restricted financial frame). Despite the demands of Art.8 about participation of the inhabitants and most notably disadvantaged groups in sustainable urban development the “budget design” of urban development remain still an issue rarely shared with the citizens³⁰.

4.2.2 Three advanced JESSICA experiences

ERDF budget can be partly used by the MA to establish an Urban Development Funds (UDF) supported by the JESSICA initiative. In general for the 13 case studies this initiative, created for the current funding period 2007-2013, is still at an early stage or now under examination all French MAs are testing the JESSICA financial instrument).

The three JESSICA case studies analysed for this study (the State of Lithuania, the Region of Andalusia OP Spain, the State of Poland) are considered to be at an advanced stage. In all of them a Holding Fund (HF) has been established to provides the basis for several Urban Development Funds (UDF); however, at the time of the survey no UDF has been created. The most consistent investment through JESSICA until now comes from Lithuania (€227.4m) on housing and energy efficiency. The project aim is the refurbishment of residential apartment houses

(24,000 multi-family houses by 2020) by implementing the energy-efficiency measures provided by financial loans through JESSICA. This relies on the OP recommendation for “Renewal and Modernisation of the Multi-Apartment Houses in the Problematic Territories”. The targeted beneficiaries are public or private homeowners in all of Lithuania who are organised as an association or in partnerships as multi-apartment representatives. The possibility to extend JESSICA to the tourism projects and PPP is discussed.

In the case of OP Andalusia ES, JESSICA is managed by the region and projects must fit into PIDUS (Integrated Sustainable Urban Plan), which is meant as a set of interdependent actions aimed at improving sustainable physical, economic, social and environmental aspects of a city or given urban area. In the case of Spain, JESSICA’s flexibility allows the PIDUS to be equal to:

- Integrated plans developed under the URBANA initiative or its equivalent for small and medium-sized cities.
- Urban plans of a strategic nature, such as Agenda 21. These documents must be complemented with sectoral plans containing more operational plans (land use, mobility plans, etc.) that provide integration sectors.
- Urban renewal plans that have a specific agency to manage them.
- Plans driven by a flagship project, provided they include the renovation / development of their urban environment.
- Other schedules may also be considered if the project does not fit any of the above four options, but the UDF performs a specific analysis to determine whether they meet the criteria of an integrated plan.

The OP Wielkopolska PL devotes through JESSICA €66,264,706 to EIB for the Measure 4.1 (Revitalisation of urban areas) and the Measure 1.4 (Support for the Investments linked to Regional Strategy for Innovation)- Scheme III (Investment in support of business environment institutions in urban areas). In this context, in April 2009 the board of directors of the Wielkopolska Region concluded the Funding Agreement with the European Investment Bank for the execution of repayable investments in urban projects with the intermediary of Urban Development Funds. The selection procedure for UDFs is currently about to start. The first investments into urban projects are planned to be made by the end of 2010, but depend on the notification of a state-aid programme by the European Commission (MA: Interview Mar. 2010).

4.2.3 JESSICA tools’ limits, advantages, and mismatches with national/regional institutional framework

The most important results of the survey for the themes concerning JESSICA is that local authorities seems not to be involved enough in the setting up of this financial tool both for limit of technical knowledge, for the early stage of the new initiative and possibly for political reasons which could not be verified. As matter of fact all interviewees presented a marked reluctance in responding the questions regarding the advancement of JESSICA. Civil servants, both in the managing authorities and at city level are not aware of details regarding the procedure; their knowledge about the implementation process is relegated to expertise not necessarily dealing with urban development but with exclusive financial matters. This demonstrate that JESSICA is still quite far from the praxis and therefore advantages, risks and opportunities of this financial tool have not been experienced or acknowledged at local level. Despite the support of the EIB general demand for information and technical assistance in regards to JESSICA procedures is solicited by cities. However, the assessment study process for JESSICA in many cases represented an occasion for exchange and dialogue between MA and cities since the knowledge and mobilisation of resources required to set up Urban Development Funds intensify the role of the cooperation among them. In this respect, a significant testimony came from the work of the URBACT Network JESSICA4Cities, and URBACT fast-track networks, which supports peer learning in relation to JESSICA. Among the three case studies on which the survey on JESSICA dedicated more attention to, no mismatch has been envisaged with the national frameworks. Instead, among the remaining 10 case studies, the OP Western Sweden encountered a clear impediment in the JESSICA implementation procedures because the establishment of UDF collide with the national Swedish legal system.

Moreover, the survey revealed that in almost all cases, where the adoption of such financial tools has been established, the implementation of projects may be slowed down by the consolidation, also in bureaucratic terms, of JESSICA procedures. In the advanced cases, Holding Funds have been established and the allocation of ERDF

contributions to the EIB has taken place, but UDF and in most cases projects have not been selected, nor has a call for projects been issued. The OP London is instead a step forward as circa 30% of ERDF will be spent through JESSICA: UDF has been dedicated to Waste (e.g. energy from waste-technologies and waste processing and re-processing plants) and to Decentralised Energy supporting the reduction of energy consumption³¹. Feasibility studies, such as the one elaborated in the context of J4cities Network in URBACT, show great interest and several possible partnerships and fields of application, ranging from housing renewal and energy efficiency to redevelopment of industrial sites, and the urban renewal of historical centres.

For the moment the full concentration of funds for Sustainable Urban Development into the JESSICA scheme has resulted in slowing the factual implementation of urban development projects on the ground (e.g. Poland) and in separating expertise knowledge in financial management of funding from the knowledge of different stakeholders concurring in the regeneration processes. This is evident in the fact that most of the stakeholders interviewed, do not really grasp how the financial management works and how it can factually support sustainable urban development. The separation of knowledge risks to reduce the practice of urban development to a mere financial venture with limited social capital. It is still early to say if this gap will be recovered in the near future offering some space for debate and shared understanding including practitioners and citizens reclaiming the access to comprehend JESSICA mechanism and their impacts on cities. There is still time to wait to see if the JESSICA initiative can bear the expected fruits.

4.3 Relation among Managing Authorities, intermediate bodies and municipalities

4.3.1 Managing Authorities and intermediate bodies

The management of ERDF is depending mainly from three main actors: managing authority, intermediary bodies when existing, and the municipalities. Therefore, a qualitative and collaborative relation among stakeholders in the implementation of ERDF for integrated sustainable development is crucial. This survey of this present study shows that between MAs and intermediary bodies, there is sufficient collaboration³². The coordination and the functions of these two bodies depends from different patterns of administrative organizations, delegations of tasks, and in the capacity to address more efficiently demands and concerns from the local level. This diversity among the case studies is mainly due to the characteristics of them. Managing Authorities among the case studies may cover different territorial scales and governance levels. They can be National bodies as Ministries or Inter-ministerial committees (Spain, Lithuania, Romania, Bulgaria), Federal State (Berlin, DE), Elected Regional administrations (Toscana, Wielkoposka, Moravia-Slesia), Regional departments of state administration (PACA, Portugal-Norte), Provinces (Gelderland), Metropolitan aggregations (LDA, London).

Similarly, intermediary bodies can rely on different governance levels and their functions can be split in two or administrative departments close to the MA (e.g. Lithuania) or sub-delegated to other administrations.

Spain: The intermediate body is at Regional level (Dirección General de Fondos Europeos de la Consejería de Economía y Hacienda de la Junta de Andalucía). In the frame of the URBANA, Municipalities over 50.000 inhabitants act as intermediate bodies managing a block grant through an integrated plan.

OP PACA, FR the measures related to urban theme is totally delegated to three Communities of Agglomeration, intermediate bodies set at provincial level, to which is attributed a block of grant.

Intermediary bodies can also be identified in external public/private bodies collaborating with the MA and Municipalities (*OP Novo Norte, PR*, a publicly owned company – a State / Municipality partnership has been created in order to develop the rehabilitation of the historical centre) or not existing at all (*OP Bulgaria*. There is not an intermediary body officially nominated as such, but functional sub-departments acts as first level intermediary bodies³³. There are also mixed forms in which a department officially designated as intermediary body, working at close collaboration with the MA, can rely on the support of what we may call a “secondary level” intermediary body (a private/public entity) which coordinates the OP actions with the local level. In these terms, intermediary bodies may represent a chance to enhance the connection with the territories of intervention especially when MA is at State level and the geographic and administrative distance from the relative Municipalities is greater.

In the majority of cases, the intermediary body is employed to support MA in the ERDF procedures, to offer competences in reaching a critical mass of investments needed to co-fund OP related actions, and to provide feedback and tools necessary to ensure the matching of ERDF with the existing national (regional) programming instruments, without the specific scope of narrowing down the existing gaps of communication with the local level except may be for the management organization in Berlin.

OP Berlin: The MA -the Federal Senate of Department for Economics, Technology and Women's issues- cooperates with several functional sub-departments (Health, Urban Development, Education and Science etc.), which are called in the OP intermediary bodies-(Zwischengeschaltete Stellen) (EC; SoB 2007: 138). The Functional sub-department Senate Department for Urban Development is officially an OP intermediate body, and it is working together with PSS *Programm-Servicestelle* in Berlin, a private body, which actually functions as a "secondary level" intermediate body with the institutions at the local level.

4.3.2 Managing Authorities and Municipalities

All OPs analyzed do not offer a full account about the municipalities involvement in the OP process, regarding their participation in the design of the OP and the extent to which their positions have been taken into account. The majority of the analysed case studies surveyed shows that the Municipalities are partially involved in the conception phase of the OP: regional government schemes already provide consultation tables with institutional stakeholders and informative territorial systems able to provide to the Managing authorities a sufficient knowledge to design strategic goals (e.g. OP Tuscany IT, OP PACA FR). Whenever the involvement of the cities happens in the OP definition, this cooperation tend to fade along the process of delivery and implementation of projects, or to be limited (but not always) to "one-way" technical support from MA to cities. This lack of coordination during the implementation phase implies that feedback and inputs from the local level hardly reach back the Managing Authorities, whose distance from the projects implementation is greater whenever management of public policies is in the hands of central government with powerless or no delegation to local authorities. *"The MA advice can be too general, as there is a tendency to simply copy paragraphs from the guide of applicants. During the elaboration of the Integrated Urban Development Plan, the MA has provided some consultancy to the municipality through private subcontractors. The consultancy provided had been incomplete, and had not achieved its foreseen results – 7 Growth Pole integrated development plans delivered until November 2008. Unfortunately, the concept of integrated planning was new also to these consultants, and all that they could provide was a theoretical approach regarding the methodology of elaborating a strategic planning document"* (OP Romania: interview 2010).

A valuable strategy of coordination has been experienced by some countries during the phase of elaboration of Integrated Plans, whenever technical support and consulting and manuals for application have been provided by the MA, together with training of local administrations whenever necessary.

OP Bulgaria During the programme implementation, the development capacity of municipalities is supported under Priority Axis 4. Local partnerships have been identified through a "mapping exercise" and project pipeline development under PHARE Project BG2004/016-711.11.02 Phase 1 / Year 2004 "Support for preparing good quality strategic documents, promotion of partnership and cooperation and assistance for project development capacity".

Those OP insisting exclusively on city-regions such as Berlin and London, and those of OP which have a specific investment on a city such as the case of Gotheborg for OP Western Sweden, can be considered an exception since the governance structure in place lead naturally to a closer contact with the local level. Geographic distances of institutions can be a hindrance for collaboration, since many arrangements and cooperation agreements are stipulated also informally³⁴. The case of Gelderland and Western Sweden demonstrated that the efforts put in place through URBACT II Fast Track programmes of narrowing the distances among MA and municipalities are a success in terms of setting stronger basis for collaboration and eliciting peer-exchange as a fruitful mutual learning process³⁵.

4.3.3 Procedures, projects selection criteria and additional guidance provided by the MA in the OP application

General eligibility criteria are set up in the OPs. Selection procedures are handled either by the MA or appointed bodies acting in its name, or by intermediary bodies or cities being recipients of global grants. Among the 13 case studies the selection of projects follows two main criteria: area based approach and consistency with strategic objectives of the OP. In case of sustainable urban development actions through integrated plans, generally the role of the MA is the one of assessing the technical eligibility of proposed projects, but their selection on the basis of quality and comparative criteria is up to Municipalities or intermediate/implementing bodies. Bodies in charge of implementing Integrated plans propose calls for projects, which have to respond to a double order of requirements: to be actions admitted for financing in the pertinent priority axis, and to respond to the specific local strategy. An important aspect determining the efficacy of the procedures is the capacity of the MA to specify strategic lines of interventions in urban areas through the development of detailed implementation documents and calls for projects tailored to the local situation.

OP Tuscany, IT The definition of objectives and procedures have been detailed through 9 successive DA (Implementation Terms of Reference) until end 2009, as well as specific regulation and consulting procedures regarding the elaboration of PIUSS (integrated plan). The eligibility criteria have been detailed in the Call for Submission³⁶ with the aim of ensuring that the evaluation process was highly selective in respect to the limited funds available. The criteria are based on the concept of concentration: a) territorial concentration - cities with more than 20,000 inhabitants or combinations of cities -, b) physical and functional combination of measures in selected areas; c) financial concentration - the minimum and maximum threshold for the total investment of a PIUSS; d) thematic grouping of the priority issues identified in the OP. The selection criteria make it possible to explicitly assess the integration of operations thereby maximising the value added of the integrated approach.

5. Priority axis and actions to implement projects for Sustainable Integrated Urban Development

The information about the concrete implementation of actions is measured according to the allocation of funds on specific projects in the 13 selected municipalities. Whenever available, documents regarding the most updated statistics on projects implementation were provided by the MAs or the contacted municipalities, and whenever possible verified through interviews. The types of outcomes on projects implementation, usually a codified listing of projects, leave few or little space for the deep comprehension of what is really happening on the ground³⁷. Moreover, the limits of survey to institutional actors cannot offer a bottom up perspective on the question of transparency of procedures, implementation process, and expected or already visible impacts³⁸.

5.1 Priority axis related to sustainable (integrated) urban development

The 13 OPs defined the scope of actions to achieve sustainable integrated urban development through:

- **Priority Axis expressly dedicated to urban development:** 8 OP³⁹ out of 13 dedicate a priority specifically to urban development. These types of Priorities are multi-sectorial and multi-thematic (not necessarily integrated). The OPs frequently use expressions such as “sub-priorities”, “field of actions”, “area of intervention” and “measures” dealing with actions on physical regeneration, education, health, economic growth and social inclusion et al.

(*OP Western Sweden*): Priority 3 “Sustainable urban development” includes the following themes: Rehabilitation of the physical environment; Promotion of entrepreneurship, employment and community; Improvement of public service and commercial supply in vulnerable districts; Raise the recruitment opportunities in higher education; Match job needs with labour skills and diversify the job offers in the workplace; Cooperation with Stockholm, Malmö and other European cities.

- **Urban dimension present in two or more Priority Axes:** different themes and issues still related to sustainable urban development are split into more Priorities (*OP Gelderland NL, OP Tuscany IT, OP Lithuania*).

(*OP Gelderland*): Priority 3 “Attractive Cities – Urban Regeneration” integrated approach to improving and enhancing the attractiveness of urban areas in nine large major cities is most directly related to urban development. Nevertheless, the OP sees the measures and strategies of priority 3 very much related to the Priority 2 “Strengthen Innovation in Urban Networks” to stimulate regional investment in five urban networks which is considered to allow a more flexible and integrated approach to urban projects. In the OP text those two priorities are presented as interdependent.

- Sustainable integrated urban development has **cross-cutting relevance** in all priorities of an OP. The OP falling in this category are those which already cover an entire urban area, and those which although they have priorities whose scope is relevant for the urban dimension, do not have a specific priority related to urban development,

OP LONDON” Since the OP covers all the London urban area, it gives a general crosscutting relevance on Integrated Sustainable Development, through equality, and environmental sustainability to all OP actions.”
OP PACA FR the urban sustainable development is not a main objective and is not identified as a priority axis but rather as a transversal priority across the action of the OP. In addition, the urban measure is not” aimed at directly financing the destruction/construction of buildings or development actions, rather to favour the re-integration in the city and social inclusion of inhabitants of deprived urban areas”.

5.2 Actions related to sustainable (integrated) urban development

Investments in all types of urban infrastructure (transport, housing, health care, education, culture) as well as in different sectors of the urban economy constitute a major concern in the examined Convergence OPs. In particular, especially the new MS among the 13 cases, show a strong focus on actions dedicated to infrastructure and physical upgrading, resulting from chronic underinvestment and actual need of modernization of basic infrastructure: cities are indeed seen as focus of competitiveness, but almost exclusively in an economic sense. Moreover the term of competitiveness is often used as pressure to boost the national economy to become competitive on a wider territorial perspective to be compared with other EU cities. The principle of solidarity and cohesion in urban development assumes in this perspective a definitive minor role. As result, the analysis of shows that the process of development of projects is characterized by “tentative combination” of policies rather than “strategic correlation” of interdependent strategies. Nevertheless, all regions assessed try to make use of the cities' potentials for generating social and economic innovation and for increasing competitiveness rather in terms of investment on local economy, creation of new business and jobs provision (the most interesting case in this regard is the *OP London*).

In accordance with the main Objectives of EU Cohesion Policy, large-scale infrastructure investment (transport, housing, and physical regeneration) is no priority in mostly RCE regions with the exception of some cases such as the mobility network in the metropolitan areas of Florence (*OP Tuscany IT*). Some OPs clearly declare that there will not be support for hard measures but only for soft ones in relation to the institutional framework (*OP PACA FR*). The scope of operations in RCE cities is therefore clearly narrower and more targeted but yet maintaining a level of integration with other policies.

The types of actions supported by the analyzed OPs are summarized in the following points:

- **Actions with a focus on regeneration and cohesion of deprived urban areas** (URBAN-type and non of actions)

The question to tackle regeneration of deprived urban areas is present in the majority of the OP examined, since the perspective of cohesion of territories starting from the most critical neighbourhoods is perceived as a viable strategy to eradicate most burning social, economic and environmental problems distressing the balanced development of urban centres. “The aim of sustainable urban development is to reduce the socio-economic differences between different residential areas and different population groups. Therefore, efforts to increase the at-

tractiveness of deprived urban areas and to contribute to a better integration and cohesion in the city and the region are undertaken" (*OP Western Sweden*). Many countries rely on existing national, regional framework dealing with the regeneration of deprived urban areas (Local Development Agreement in Sweden, CUCS in France, *Sozialestadt* in Germany, "From deprived neighbourhoods to powerful neighbourhoods" in the Province of Gelderland NL et al.). Competitive regions are predisposed to adopt URBAN-type of actions which should be implemented with reference to Art.8, but not all OP make this reference.

OP Berlin DE. Priority 3 "Integrated Urban Development" In the Berlin ERDF program two main approaches are used: The operation "Zukunfsinitiative Stadtteil" (ZIS) for smaller areas and the operation "Measures to support wealth in the framework of district alliances for the economy and labour" on the level of the district administration. Both approaches seek to integrate the competent partners of the administration, the economic and social partners and bodies representing the civil society, NGOs etc with a place-based approach. Depending on each specific situation, various combinations of "endogenous" potential oriented approaches sustaining economic development and social integration will be applied (*EC; SoB 2007: 95f.*).

Some member States introduce a new stronger national approach in relation to ERDF such as the initiative called URBANA (*OP Spain*) to promote sustainable urban development and to foster internal cohesion through a series of measures improving the condition of deprived urban areas and their inhabitants.

Convergence regions such as for the *OP Bulgaria*, *OP Moravia-Silesia*, *OP Novo Norte*, *OP Romania* mention the regeneration of deprived urban areas as target areas of intervention. More precisely, the *OP Wielkopolska* devoted an entire priority to the revitalization of problems areas although the measures undertaken will predominantly have a physical regeneration type of action.

"This priority is a proposal for strengthening chosen areas where there is concentration of problems or where the potential is incorrect or inefficiently used. The priority realizes the territorial dimension of cohesion policy, described in the Community Strategic Guidelines. (WROP p. 149)

These types of actions are also linked or accompanied to interventions targeting the development of service provisions, training and social networks such as upgrading of infrastructure of health and education especially for the most disadvantaged groups (e.g. Western Sweden, *OP Berlin*, *OP Bulgaria*, *Op Lithuania*) and improvement of public services (e.g. waste management as in the *OP Novo Norte* and *OP Romania*, Recycle initiatives in *OP Bulgaria*). Nevertheless, especially among the OPs examined from the new Member States, these themes are usually tackled by other specific priority axes in the same OP, which are not necessarily described as urban related types of actions.

- **Actions with a mix focus on regeneration of critical urban areas and urban/ rural relation**

Priority 5: Sustainable local and urban development up to 60% of resources here will be allocated to integrated projects for the regeneration of districts or municipalities with more than 50 000 inhabitants, small municipalities and rural areas. (*OP Spain*),

Priority 4: New urban and rural approaches for innovation, employment, territorial solidarity and accessibility [about 10% of total investment] (*OP PACA*). Which include the sub-measure expressively dedicated to critical urban areas: "Area 4-1: Including the deprived urban areas in the global approach to the city to contribute to and benefit from economic dynamism."

All *Czech Regional OPs* include urban development either through a mixed Axis that also includes regional and/or rural development.

(*OP Wielkopolska PL*) Axis 4 – revitalization of problem areas is the most specifically urban, although intervention in rural areas is not explicitly excluded.

(*Op Lithuania*) Priority 1 on "Local and urban development, preservation of cultural heritage and protection of nature and its adaptation to development of tourism" will provide conditions favourable to development of towns and rural areas. Actions related to this priority are expected to positively influence diversification

of economic activity in rural areas, whereas protected cultural and natural heritage is an integral part of the quality of life.

- **Actions with an urban dimension focussing on integration of specific target groups**

OP Bulgaria, the priority dedicated to urban development defines specific criteria for eligibility which has to “take into account the needs of disadvantaged groups including Roma.” (EC; MRDPW 2007: 100) Nevertheless among the criteria for eligibility it is required that only one criterion is met therefore it is not clear how much this point will have relevance in the practice.

ERDF will contribute to London’s development and to greater equality by particularly supporting business investment and growth in Small and Medium Enterprises (SMEs) that are led by black, Asian and minority ethnic (BAME) people, women or disabled people and which provide employment opportunities to deprived communities. (*OP London UK: 5*)

OP Berlin one of the scopes of the axis integrated urban development is “To reduce the unemployment of young population and migrants of the funded areas

- **Actions for the physical rehabilitation of urban areas and mobility networks**

One of the most common actions in urban regeneration is the physical rehabilitation especially in relation with physical city-centre renovation, brownfield development, amelioration of public space and mobility infrastructural networks. Given the specific characteristics of the cities the Study assessed operation for physical rehabilitation in specific environment more needed in Convergence Regions, comprising:

- **Revitalization of the urban centre** with a relevance for urban and cultural heritage, protection of nature and development of tourism (e.g. with a strong relevance of this topic in the *OP Lithuania*, with minor relevance in the *OP Spain*);
- **Housing** especially integrated with other social, environmental and economic policies in most problematic areas (cfr 1828/2006, Art. 47). This action mostly can be found among the OPs from the new Member States with interventions such as renewal of block of flats and improvement of its quality also in terms of energy efficiency.
- **Redevelopment of Brownfield sites** (*OP London*), and post-military and post-industrial sites (*OP Wielkopolska*), and brownfield regeneration with energy-effective solutions (*OP Moravia-Silesia*)
- **Infrastructural network** to modernize the mobility system (*OP Romania*) and to ameliorate public transportation (*OP Tuscany*).

The Bulgarian Transport OP covers a Priority Axis on inter-modal facilities for passenger and freight transport with the objective to make travelling conditions easier and facilitating modal transfers of passengers and freights to more environment friendly transport modes by improving the network of combined transport terminals, notably in the capital region of Sofia. The main projects of this Priority Axis is the extension of the Sofia Metro and the development (construction or upgrading) of several inter-modal transfer points inside Sofia’s public transport system, such as the Central Railway Station and the Sofia Terminal Airport Station.

- **Actions to increase competitiveness and to encourage innovation and job creation**

In those OPs with a strong Lisbon oriented strategy there is an emphasis on entrepreneurship, support to business and SMEs, and development of local economy. This related to urban development especially in those OP in which the urban dimension is bridging more than one priority or is a cross-sectional strategy for the whole OP (*OP Gelderland NL*, *OP PACA FR*, *OP London*).

OP London: Priority axis 3 “Sustainable Places for Businesses” is the axis with a more specific geographical reference to urban areas which are indicated as bearing social and physical problems e.g. “multiple index of deprivation”, “poorest communities” or “brownfield land” and can be interpreted as axis with a sustainable

(integrated) urban development approach.

OP Gelderland NL: Priority 2: “Strengthen the of Innovation in Urban Networks” - stimulating regional investments applies within the designated city-regions of the five urban networks East Netherlands, namely Zwolle Kampen Network City, Network City Twente, City triangle, Valley city region Arnhem Nijmegen. Urban Networks are seen as the engine of the economy in urban and regional areas. With this priority the concentration is set on high economic activities, knowledge and education and human capital for supporting the economy in the eastern Netherlands

The interrelation between urban development and job creation as prime strategy to achieve sustainable urban development especially in most critical urban areas is less evident in the cases of Convergence Regions.

In terms of innovation, both the cases of London and of Berlin offer good examples of how investing in existing local potentials and values in networking, also in deprived urban areas, can encourage social innovation.

OP London: Priority Axis 1: “Business innovation and, research & promoting efficiency”. Theme 1: Developing a culture of, and capacity for, creating and using innovation throughout London’s business to create sustainable economic growth.

- Raising awareness of innovation among SMEs that are currently not investing in innovative activities, including showcasing the benefits of innovation and developing projects to overcome barriers facing BAME, female and disabled entrepreneurs
- Providing innovation guidance and support for businesses in innovation and commercialisation strategies in areas such as intellectual property issues, prototyping, cross sector innovation, design and market analysis
- Promoting Innovation
- Supporting business-led networking to encourage collaboration and the development of collaborative innovation strategies and action plans

5.3 Actions and projects implementation

There are not any unexpected discrepancies between what is declared in the OP approved actions and the projects implementation. The characteristics of actions expressed in the previous chapters have been maintained also in the types and themes of projects delivery. Those cases in which soft measures type of actions have been dominant (such as *OP PACA*, *OP BERLIN*, *OP Gelderland*, *OP London*) reflect project implementation in the same line, although the French (case study Marseille), the *OP Gelderland* (case study Arnhem)⁴⁰ and the London case seem to invest more noticeably in socio-economic aspects of sustainable urban development through jobs provision, training and support to local economy in most distressed urban areas than others.

OP PACA FR. Employment, transportation and culture are the priorities identified by residents of neighbourhoods. The list of operations already financed regards projects related to network of enterprises in Free Trade Zones (ZFU), different kinds of service provision for association of enterprises start up, coaching and revitalization of the local economy. Future projects implementation regarding the same thematic areas with an emphasis on accessibility improvement to deprived urban areas. The estimate is to support between 10 and 15 projects per year, between 60 and 90 projects in total⁴¹.

OP London. In all four priorities at the city level of London 74 projects are in the process of implementation or have already been implemented. In Priority 3 (Sustainable Processes for Businesses) with its specific geographical reference to urban areas with social and physical problems, nine projects applications have been approved for: Providing high-quality businesses premises with high environmental standards; Providing high-quality environments that are serviced by renewable, co-generated decentralised energy systems, innovative waste management and water resource support systems; and Promoting innovative and emerging environmental technologies through pilot and demonstration projects. Additionally, the JESSICA project implementation is listed under Priority 3.⁴²

OP Western Sweden In November 2009 the Structural Fund Partnership for Western Sweden, 15 projects were

prioritized and were granted approximately 70 million crowns from ERDF⁴³.

Contrary to the main trend of Convergence Regions is the case of Tuscany⁴⁴, where in particular in the case study of Florence, soft measures seem to give space to hard measures targeting physical regeneration of public spaces, historical building and transportation more than expressed in the principles and actions presented by the OP. Nevertheless, the level of integration of policy remains relevant.

OP Tuscany, IT: For the Integrated Plans of Sustainable Development (PIUSS) "Florence City of Knowledge" 25 projects have been selected, mostly proposed by the municipalities and a small quote coming from other public bodies as university and NGO. Covering projects supporting arts & craft business, physical intervention as building of social facilities and regeneration of public space, historical buildings and tourism. The projects selected have been considered eligible to financing by regional deliberation, without official money allocation. Nevertheless, some of these projects are priority projects already co-financed by municipal action and they are already in course of implementation. To this list, we should add the operation already in advanced implementation stage of the 1st line of the new tramway system of Florence, which is co-financed by ERDF under the Axis IV "Accessibility to transport system and telecommunication", and has a dedicated measure in the OP: 4.3 – "Empowerment of the tramway and railroad system in the metropolitan area of Florence"⁴⁵.

The projects selected in the Convergence Regions maintain a strong accent on physical regeneration (e.g. Novo Norte, PT, OP Lithuania⁴⁶), with an emphasis on transport and mobility measures (OP Bulgaria,⁴⁷ OP Moravia Silesia⁴⁸, OP Romania). On the contrary, an adequate level of integration of policies seems to exist in those projects, which are area-based and that show strong civic participation, such as the regeneration of deprived neighbourhoods in terms of housing, service provision, physical regeneration and support of local economy (e.g. Poznan City centre redevelopment).

OP Wielkopolska PL: Among the key projects are those focusing on the revitalisation of the river Ostrava. After decades on the sidelines, the river is once more to become an integral part of the city centre, widely used by both citizens and visitors for recreation and leisure activities. Transport accessibility in the city centre will be improved by an extension of the public transport system, providing extra connections between the central zone and the outlying districts of Ostrava.

Most OP actions are at an early stage of implementation or are going to be implemented. Those projects in an advanced stage (mostly from old MS) could already count on more experience in dealing with integrated approach and on the support by national, regional local programmes, which already dealt with sustainable integrated urban development.

1. The **postponement for the projects implementation** is owing to a series of reasons due to:

- The actual financial crisis

"We are in times of crisis, intervening in areas in great trouble. The only projects that could be classified sustainable development are those related to proximity urban management (Gestion Urbaine de Proximité) within neighbourhoods under ANRU. For example, hygiene is a priority for residents in terms of living environment, actions to improve the service offered in the field, walking paths, garbage buried land routes for the movement of garbage trucks could be envisaged." (MPM: Interview Feb. 2010)

- The procedures of JESSICA

OP Wielkopolska PL: In April 2009 the Board of Directors of the Wielkopolska Region concluded the Funding Agreement with European Investment Bank for the execution of repayable investments in urban projects with the intermediary of Urban Development Funds: the selection procedure for UDFs - which cover all potential projects eligible under Priority 4: Revitalization of problem areas aims at strengthening selected areas - is about to start and this implies that the implementation of the projects is on hold since the procedures of JESSICA are not yet fully operative. Despite that, there is a list of possible eligible projects of which some are already in place e.g. for the case of Poznan through the Poznan City Development Plan for the years 2005-

2010 such as the integrated regeneration project of the Srodka neighbourhood a pilot project for the city which has a strong bottom up perspective.

- The relation with national, regional or local planning instruments whose delay in the approval procedures may slightly hinder the start up of projects under ERDF (OP Tuscany, case of Florence).
- The type of projects proposal presented to the MA may have a strong sectoral characteristic in favour on one theme.

OP Romania: The implementation of projects is not in an advancement state, as the allocation of funds has not been completed. The projects presented show an excessive emphasis on infrastructural projects and less on the economic, jobs creation and social aspects on a long term perspective (interview 2010). The Integrated Development Plan was approved only on last December, and BMA is working on the documentation to submit to MA for financing. Nevertheless, few projects have already been initiated by local authorities, because of their priority for the local community. In addition to that, the PIDU includes a number of projects that are financed by other Operational Programmes, so its whole implementation is not limited by the ERDF timeline.

2. In the case of **advanced stage of implementation:**

- ERDF is used not to shape from scratch new public policies of urban development, but to connect, balance and reorganize, existing projects and strategies which already had a high level of advancement, under a comprehensive and multi-scalar sustainable integrated vision e.g. neighbourhood renewal in Arnhem NL.

OP Gelderland, NL: Here, ERDF is basically providing monetary support to develop what both the respective MA and Municipal administration convened in considering a good regeneration practice in a deprived urban district of Arnhem, which (yet) started 4 years before the OP definition. Recently, this project was selected by the central Dutch government as a pilot from which a manual on local economic development of deprived urban areas will be drafted and distributed to major Dutch cities.

- ERDF is used to mirror and nourish those national regional and local programmes considered successful which already deal with integrated urban regeneration (OP Berlin with *Sozialestadt Programme, Staedte Umbau Ost/west* et al, OP PACA,FR with CUCS, OP Western Sweden with the national LDA, Local Integrated plan for the Poligono Sur district, Sevilla, Spain⁴⁹)

OP Berlin DE: By the end of 2008, 322 projects funded by Future Initiative for neighbourhoods "ZIS" received monetary support of €3,507 from the ERDF funding. In addition under priority 3 "Integrated urban development", 98 projects explicitly supporting equal opportunities and integration of migrants and 9 projects supporting businesses, entrepreneurial spirit, and technology received allocation of money. Not all projects are completed or received the full amount of money. The only completed and published project as a best practice is the "New creation of open spaces in the Schorfheide district", upgrading of demolished housing properties with the new open-space design of the district.

- ERDF is used to establish new partnerships among private and public institutions that could carry out also in terms of commitment and monetary resources the interventions eligible in the OP and selected by the Managing Authority.

OP Novo Norte PT: The Public company Porto Vivo, SRU manages two Urban Renewal Partnerships publicly led PPP for the city of Porto. The partnerships cover the areas of Morro da Sé, Mouzinho / Flores historical centres listed by UNESCO. Rehabilitation Programme for Morro da Sé has a set of 12 operations financed with ERDF. Its main goal is to rehabilitate 9 residential blocks in the Morro da Sé neighbourhood and promote better living conditions for the residents. Rehabilitation Programme for Mouzinho / Flores has a set of 15 operations. It involves 15 blocks and its main goal is to improve mobility in this area.

6. Effectiveness and lessons: mainstreaming the urban dimension in relation to Art.8

6.1 Survey feedback on limits and hindrances

Most of the qualitative data regarding the management of ERDF and the related implementation of projects has been retrieved through questionnaires and interviews to pertinent institutional stakeholders. They highlighted some limits in different aspects related to their duties and responsibilities, of which the most relevant barriers regards:

- The amount of work required to apply for funding and comply EU rules a burning issues transversal to all case studies. In particular, in "*matching national funding with the complexity of ERDF eligibility requirements*" (OP London questionnaire Feb.2010). Whether the complaint about excessive bureaucracy is to be imputable to the institutional framework of each member state or to the actual provisions of the EU is disputable.
- The inexperience in dealing with integrated urban development. The interviewees from new MS almost unanimously advocate more precise guidelines without additional regulations, with reference to the guidelines provided under the URBAN Community Programmes.
- The relation between municipalities and MAs is not collaborative enough. Some municipalities declared that MAs tend to see their cities from a distant perspective, with insufficient knowledge of territorial and local issues, which may lead to a misinterpretation of needs, issues and potentials;
- The earmark of Lisbon priorities with the principle of Art. 8⁵⁰.
- The Internal fragmentation of the institutional administrations, especially at local level (OP Andalusia, OP PACA, questionnaires Feb.2010) can reveal an additional level of miscommunication among the policy makers in the implementation of projects.
- The comprehension of the JESSICA tool. All interviewees stated that JESSICA is a complex procedure, which tends to become technically self-referential if not familiarised to all levels of policy makers.

6.2 Problem solving and potentially transferable practices

Every political, geographical and social context responds to specific issues with their situated knowledge, governing traditions and experiences informing innovative solutions, which, nevertheless, cannot necessarily be adequate in all situations. Moreover, the same definition of innovation is relative, because what can be considered e.g. an advanced method in one country can result obvious in the governing system of another. Therefore, the potential transferability of practices offered by the analysed case studies should be considered as strongly related to the specificities of the country in which they are developed.

OP Programming phase

- The wide consultation procedures with multiple stakeholders propedeutic to the definition of the OPs official documents (e.g., Wielkopolska, Berlin at al.) and to the project proposals (OP Romania, case of Brasov);
- The transparency of procedures and communicative strategies achieved (e.g. OP London and OP Western Sweden) through databases and updated online information which serve to guide, encourage and detect possible ERDF beneficiaries;;
- The OP strategies matching with the institutional framework in terms of programmes and planning instruments in all case studies.

Cooperation between managing authorities and municipalities

- The non-prescriptive but supportive collaboration between MA and cities -as reported for the OP Gelderland- both during the programming of the OP and implementation phase of the projects.

Training and peer-learning

- The training of relevant institutions on sustainable urban development and integrated approach, principles and methods as in Bulgaria⁵¹;
- The cities and MAs who participated to the European level networking activities such as INTERREG, URBACT II (esp. Fast-Track Network), affirmed that the exchange, training and cooperation within these type of programmes helped them to improve the relation not only among international actors but also between MA and cities at home (OP Gelderland, OP Western Sweden).

Partnership building

- The creation of publicly led partnerships able to steer the OP actions delivery and to speed up the projects implementation procedures (OP Novo Norte, PT);
- The establishment of an inter-municipal cooperation in relation to the drafting of an integrated sustainable urban plan (OP Tuscany, case of Florence) or an EU Structural Funds coordination group for the implementation, planning and management of regional projects, and other inter-institutional groups (OP Lithuania).

Public participation

- The bottom-up participatory strategies, e.g., community-based budgeting and direct participation of citizens in the project proposals (OP Berlin), neighbourhood- or district-led public participation (OP Western Sweden, OP Gelderland, Op London);
- The networking of practices with a focus on regeneration of deprived urban areas (e.g., Red de Iniciativas Urbana Spain);
- The investment of ERDF funding supporting local needs in deprived urban areas based on public participation including marginalised groups according to the specificities of territories (Op London, OP PACA FR, OP Berlin, OP Western Sweden).

Evaluation

- The early delivery of evaluation studies of the formation and design of the Integrated Sustainable Urban Development Plans (e.g. OP Tuscany, IT);
- Innovative evaluation procedures such as the “follow research” – a flexible evaluation form, which runs throughout the project replacing the traditional mid-term evaluation (e.g., OP Western Sweden).

6.3 Effectiveness of the mainstreaming of urban dimension in relation to Art.8

All interviewees convene in affirming that there is a recognised EU added value in the use of ERDF. The Cohesion Policy definitely facilitates the inactivating and launching of urban regeneration processes and the rebalancing of existing initiatives or projects developed within the local institutional framework. Having said that, the outcomes of the analysis about the implementation of sustainable integrated (participative) approach confirm that differences are still evident between old and new Member States. The EU15 tend to have a higher experience in managing integrated programmes, while having generally a minor relevance or impact of ERDF funding in their territories. Here the integration of strategies and interrelation of multi-sectoral policies is often considered a pre-condition transversal to all OP actions. On the contrary, the EU12, which can count more on EU structural funds for urban development, may lack specific knowledge, skilled human resources and appropriated governance schemes necessary for an effective implementation of integrated policies. In those cases where the integration of policies is a mandatory requirement in the OP – encouraged through the combination of sectoral practices or through the application of new integrated planning tools – there is still the necessity to provide additional support to the local administrations. As a result, in the implementation phase, the countries under the Convergence Objective invest more on hard measures with a limited level of interdependency of multi-sectoral policies, also resulting from chronic underinvestment and the actual need for the modernisation of basic infrastructure.

Nevertheless, this gross division, and may be too often emphasized, among the new and old MS does not fit for all cases: among the EU15 regions under the Convergence Objective there are still consistent investments on

physical regeneration (e.g., OP Portugal), whether some Regions under the Competitiveness and Jobs Objective prevalently invest in soft measures with an emphasis on job creation, innovation and energy efficiency (e.g., OP London), support to SMEs, and integration of the most disadvantaged groups (OP London, OP PACA FR, OP Berlin, OP Western Sweden).

All case studies validate the use of Art. 8 as inspiration for their strategies, but 5 OPs out of 13 actually quoted it in their officially approved texts, with limitations to specific priority axes, actions or measures. The flexibility facility offered under the EC regulations Art. 8 and Art. 34, which allow to maximise cross-financing of ERDF funding with ESF-type actions, is allowed only in two OPs (OP Berlin and OP Western Sweden) out of 13. These are the only cases in which the principles of Art. 8 of supporting the development of participative, integrated and sustainable strategies to tackle the high concentration of economic, environmental and social problems affecting urban areas are practically supported with the combination of funding offered by the EC regulations.

Although there is a positive match between the national /regional frameworks and the use of ERDF, delays in the implementation are present in many case studies. This is due to the economic crisis, the difficulties in co-funding, the time necessary to set up JESSICA financial tools, the fragmentation of the administrative system at home and the lack of institutional coordination, and sometimes the low quality of projects submitted.

A common trait is that there is not sufficient citizen's participation in the programming and ownership of the actions, a result which seems to be confirmed both by the ex-post evaluation of the URBAN programming period⁵² as well as by the "Framing the urban dimension" report⁵³. Among the 13 case studies, participation is predominantly meant as formal and informal consultation of institutional actors in the programming phase. Municipalities are for the majority absent in the drafting of the OP, but in virtuous cases they collaborate closely with the MAs in the implementation phase also with the support of intermediary bodies. This has resulted in a maximisation of the potentials for sustaining integrated policies. Instead, citizens rarely have the ownership of the projects and even less a voice in the related financing procedures. An exception made for cases in which public participation is traditionally an integral part of the MS governance system. Nevertheless, information on the ground may contradict even this latter assertion, since the required task for this study was not to verify public participation from a bottom-up perspective under ERDF .

In addition, this research confirmed that one of the major hindrances for transferring not only good practices, but also strategies, participatory methods and principles sustaining the learning from the efficacy of certain urban development practice is language: a relevant part of the OPs analysed and related official websites were not available in languages than the native, and often information was not updated online confirming that additional efforts should be made to share at EU level urban development strategies under ERDF.

6.4 Proposals on Cohesion Policy from the analysis of the case studies

- The main proposal for the future Cohesion Policy is coming from the Interviewees praising and asking future sustenance (without additional regulations) in all those initiatives, which promote peer exchange and mutual learning among municipalities and MAs, and targeted training involving policy makers at local level. The comparative analysis of documents and reports on practices reveal that where there have been a previous participation to EU urban regeneration programs involving international exchange of experiences, local institutions show a greater capacity and capability to adopt an effective integration of policies and a more accurate interpretation of the concept of sustainable urban development.
- Despite that, in-depth evaluation of the EU added value and its impacts at local level is not possible within this frame of research. Official statements calling for "integrated urban sustainable development" may be not effective in practice if used as elegant veils to cover realities turning principles into superficial rhetoric. In those cases, participatory research on the ground open to different types of stakeholders, including economic, environmental and social studies on-site is crucial to obtain a more comprehensive and unbiased feedback on the effectiveness of the implementation ERDF lead urban projects.

- This present study demonstrates that public participation is still a challenge even for those cities, which are more experienced in participatory planning methodologies. It is therefore crucial that EU policies encourage a change in the way of thinking and operating towards co-production of strategies. Institutional innovation of the governance schemes should be promoted beyond mere consultation or information, by recognizing the right to decision making also to groups, which are usually underrepresented in the institutional settings.
- The case studies showed as well a little impact of Art.8 in the effective policy-making. The principles addressed by this article have been taken into account by the OPS as simple exhortation rather than founding and guiding concepts. It is debatable if the inspirations of Art.8 should become prescriptive or instead still function as general approach whose application in practice needs a collective incremental learning. Nevertheless, such principles could include as well the relation between socio-spatial and economic disparities and the reasons that cause them. Effective sustainable public policies with the aim of eradicating inequalities should consider also those aspects that contribute to the perpetuation and reiteration of disparities.
- If the relation to Art. 8 is rather weak, on the contrary most urban development policies examined bore a strong relation to the Lisbon strategy based on the ideas of “cities as engines of growth”. The way this declaration is adopted in practice still presents cities development as economic growth missing the reflection that contemporary cities are also big “engines of consumption” in terms of territories, energy and natural resources. As matter of fact, in the OPs studied here, the topic of sustainability of urban growth remain too much of a tangent to the main actions of urban development. Further attention has been devoted to housing modernisation and energy efficiency, but still too rarely to ecological waste management or reduction of private transportation towards changing urban consumption behaviours. Therefore, the results of the analysis highlights that the limiting of urban growth and territories’ carrying capacities should be more emphasised in the future European policies including as well the urban/rural relation in the urban planning policies. This can be promoted only through urban policies, which act towards realizing just and fair economic development in the name of social inclusion and equality, viable environmental measures towards reduction of energy consumption and waste, and self-sustainable regeneration of natural resources.

In conclusion a summary of operative notes coming from the research can be inform the discourse around the future cohesion policy which could promote to:

- Include preliminary consultations of the MA with municipalities, associations of local administrations and other strategic stakeholders previous to the drafting of operative programmes.
- Reinforce the capacity of MA to provide expertise on demand and training to local administrations and intermediary bodies involved in ERDF implementation.
- Encourage reflection on a more in-depth comprehension of concepts as integration of policies and sustainable urban participative development
- Mainstream INTERREG / URBACT type of knowledge exchange and networking actions in order to improve the capacity of cities from different member states to learn from each other.
- Accompany the ERDF implementation with continuous evaluation process as e.g. follow research in Sweden;
- Dedicate ad hoc budget supporting participatory processes and trained expertise to manage it from the problem setting to implementation of projects beyond mere consultation;
- Introduce more binding regulations to guarantee a percentage of “soft measures” integrating hard realizations financed through ERDF to avoid sectoral hard measures in regeneration projects

- Extend information and technical support to encourage cross-funding opportunities among ERDF and ESF;
- Develop specific knowledge and problem solving in regard with the urban-rural issues addressing the topic about the limits of the urban growth;
- Demand and support more developed standards of documentation, websites and databases about the operative programs and the ongoing implementation, including mandatory English or multilingual versions, to enhance dissemination and capitalization of practices.

¹ Council Regulation (EC) nr1083/2006 Article 8 Sustainable urban development: "The ERDF may, where appropriate, support the development of participative, integrated and sustainable strategies to tackle the high concentration of economic, environmental and social problems affecting urban areas. These strategies shall promote sustainable urban development through activities such as: strengthening economic growth, the rehabilitation of the physical environment, brownfield redevelopment, the preservation and development of natural and cultural heritage, the promotion of entrepreneurship, local employment and community development, and the provision of services to the population taking account of changing demographic structures.

By way of derogation from Article 34(2) of Regulation (EC) No 1083/2006, and where these activities are implemented through a specific operational programme or priority axis within an operational programme, the ERDF funding of measures under the Regional competitiveness and employment objective falling within the scope of Regulation (EC) No 1081/ 2006 may be raised to 15 % of the programme or priority axis concerned."

² Ex-post evaluation of the URBAN Community Initiative (1994-1999):http://ec.europa.eu/regional_policy/sources/docgener/evaluation/urban/urban_expost_9499_sum_de.pdf

³ EC, "Framing the urban dimension. Analysis of the Operational Programmes co-financed by the European Regional Development Fund (2007-2013)", 2009

⁴ Nevertheless information on the ground may contradict this assertion, since the tasks required for this study was not to verify public participation under ERDF with a bottom-up perspective.

⁵ EC; DG Regio 2008

⁶ EP; CEU 2006

⁷ Council Regulation (EC) No1083/2006

⁸ EC 2009b

⁹ (EU SDS 10917/06). It considers also the "Sustainable Urban Development in the European Union: A framework for Action" (COM (98) 604 final, 23.10.1998)

¹⁰ CEU 2006, EC 2009a

¹¹ EC 2009, EC; DG Regio 2008 and EC 2007

¹² This has been taken up in (the) paragraph 9 of the Regulation on the ERDF and repealing Regulation (EP; CEU 2006)

¹³ According to Art. 2 (6) of EC Regulation 1083/2006, the Intermediate Body is any body or public or private service which acts under the responsibility of a managing or certifying authority or which carries out duties on behalf of such an authority *vis-à-vis* beneficiaries implementing interventions. According to Art. 42 of EC Regulation 1083/2006, the Managing Authority may entrust the management and implementation of a part of an operational program to one or more intermediate bodies. The Intermediate Body ensures the implementation of one or more interventions in accordance with the provisions of an agreement concluded between the Managing Authority and that body. The Intermediate Body must provide guarantees for its solvency and competence in administrative and financial management. It must normally be established or represented in the region or regions covered by the operational program at the moment of its designation. Where tasks are delegated to the Intermediate Body, the Managing Authority retains overall responsibility and is fully responsible for the efficiency and accuracy of the management and implementation of the operational program.

¹⁴ The relevance of the OP in relation to sustainable integrated urban development, Art. 8 and JESSICA; The most advanced stage of actions and projects' implementation; The mismatches with institutional frameworks, and hindrances in the implementation phase; The information availability based on thematic studies, evaluation, official documents, websites, and academic papers.

¹⁵ The selection of JESSICA case studies was based on the most recent data available at the time of the Study on the EIB official website in particular on the JESSICA platform, and there was informal consultation with Mr Virgilio Martins, DG Regio Financial Engineering Unit and with Mr. Edoardo Reviglio, lead expert of the URBACT network Jessica4cities.

¹⁶ The OPs for the cases of Sweden, Netherlands, France, Italy, and Romania are only available in the original language.

¹⁷ Gratitude for the collaboration goes to B. Hegefled, J. Magnusson, C. Hermant, A.-L. Zademach-Schwierz, Virgilio Martins.

¹⁸ Ex-post evaluation of URBAN Community Initiative (1994-1999)

¹⁹ e.g. URBAMECO and MILES Fast Track networks embarked on development of Local Action Plans which foresee the involvement of MA, Municipalities and multi-stakeholders at local level organized in Local Support groups.

²⁰ Romania has 7 Growth Poles at a metropolitan scale, Regional Poles and they are considered the dynamic engines of regional development and therefore major recipient of ERDF. Urban centres instead must bid to access ERDF support and they are asked to co-finance more their projects. As results Urban centers, which are per se' in worst economic conditions that the other two categories, risk not to have any access to ERDF support. Clearly the strategy here is to invest in the polarization of major urban centers.

²¹ According to the National Spatial Urban Model the settlement network in Bulgaria includes large and medium size cities (organised in agglomeration areas where appropriate) small size cities and villages. The agglomeration areas consist of urban core centre (city) and their surrounding areas part of the same growth pole.

²² *Cadre de Référence Stratégique Nationale* adopted by the Interministerial Committee for Construction and Territorial Competitiveness, *Comité Interministériel de l'Aménagement et de la Compétitivité des Territoires* (CIACT), 6 mars 2006,

²³ (MPM: Interview Feb. 2010): "Article 8 provided an opportunity to dedicate an axis of the OP ERDF to the urban theme. During the elaboration of regional OPs, this possibility has been discussed at length. One point made the shift: the requirement that the OP ERDF and ESF meet at least 75% of their budget under the priorities of Lisbon. If the national ESF OP responded quickly, it was much harder for the regional OP ERDF. In fact, given the priorities of Lisbon, many topics have been excluded as tourism or culture except re-entering by the means of innovation. The managing authorities quickly realized that the urban theme would be very lowly earmarked. Finally on the urban theme, in France few regions have chosen the option of an axis of intervention, many have chosen the option of a measure; some sub-measures and others have simply excluded the urban theme".

²⁴ The city administration of Vilnius declared that Vilnius is not considered "as an area for action/project implementation with the focus on problems of high concentration of economic, environmental, and social prob-

lems" (Vilnius Municipality: interview Feb. 2010). Thus, the municipality of Vilnius is not eligible for funding under the respective actions of the OP.

²⁵ Cfr. 4.1 in the Lithuania case study template available in the Appendix.

²⁶ The process of formation and implementation of the first 12 PIUSS adopted by the Regional Operative Programme CREO 2007-2013 has been object of a detailed evaluation study developed by the research agency RESCO published in December 2009. (Regione Toscana 2009)

²⁷ Several interviewees declared that the participation to EU network meant an advantage such as learning from other experiences and having the support of expertise help local administrations to get accustomed to integrated planning processes.

²⁸ *OP Florence*. The Integrated Plan "City of Knowledge", developed as an inter-municipal cooperation of 4 cities, is the actualization of one axis of the metropolitan strategic Plan "Firenze 2010" (currently being updated as *Firenze Città Futura 2020*), detailed and circumscribed in a specific area. The elaboration of the PIUSS benefited from the elaboration of such a long-term strategy in terms of definition of strategic objective, integration of policies and infrastructural intervention supporting the integration of different projects.

²⁹ The Urban Initiatives Network is a key instrument in order to for the necessary urban dimension to be included in the management and programming of European funds, and it is intended to be an open forum for the Exchange of urban experiences and best practices that have received community funding, as well as serving to analyse and provide solutions for any problems and settle any doubts arising from the application of the regulations regarding European funds for urban development. The Network's permanent members include the bodies responsible for national and regional urban policy, the Spanish Federation of Municipalities and Provinces and representatives from local government with particularly significant involvement in the Management of community funds and the European Commission.

³⁰ The "integration of different financial targets became more complex in the new funding period 2007-2013 compared to the previous URBAN period and this made it complicated to steer a comprehensive area-based project implementation with regard to the financial structuring" (Berlin interview 2010).

³¹ €109m (100%) is the total budget of JESSICA London €70m (64,2%) are dedicated to the UDF "Decentralised Energy" and €39m (35,8%) are dedicated to the UDF "Waste". The London development Agency LDA appointed €89m to JESSICA. Therefore, the LDA takes €54m from ERDF and €35m as land contribution. The second contributor to JESSICA is the "London Waste and Recycling Board" with €20m.

³² Cfr. Chapter 2.1 for the definition of Intermediary body

³³ They are part of an "Extended Decentralised Implementation System (EDIS)" from the experience of PHARE, which cover the separate tasks of monitoring, implementation, project generation, evaluation, communication, controlling, and assessment.

³⁴ Many interviewees declared that informal agreements are an important part of get the ERDF projects going. This information has been retrieved through dialogues during phone interviews, and it was not present in the written questionnaires.

³⁵ Information retrieved through questionnaires and interviews.

³⁶ Regione Toscana, Regional Deliberation No. 239/2008

³⁷ Most institutions provided a dry listing of codified or even not codified projects with not sufficient data for analysis and some other institutions such as the London LDA provided an updated and very detailed set of information with projects' description, money allocation, stakeholder responsible for delivery and beneficiaries including contact details for each projects.

³⁸ Different is the situation on the projects implementation for the case of Arnhem and Gothenburg since the two ERDF funded projects of regeneration of deprived urban areas have been developed within the framework of URBACT II, URBAMECO Fast Track Network.

³⁹ Axis 3. "Integrated Urban development" (*OP Berlin DE*), Axis4. "Urban system development" (*OP Novo Norte, PT*), Axis 5. "Sustainable local and urban development" (*OP Spain ES*), 3. "Sustainable urban development" (*OP Western Sweden, SW*), Axis 1. "Sustainable and Integrated Urban Development" (*OP Bulgaria*) (*Moravia-Silesia CR*), Axis 4 – revitalization of problem areas (*OP Wielopolska PL*), Axis 1 Support to sustainable development of urban growth poles (*OP Romania*), Axis 3.Urban dimension (*OP Gelderland NL*).

⁴⁰ Under Priority axis 2: "Strengthen the of Innovation in Urban Networks" - stimulating regional investments, 6 projects already have money allocation: 2 projects out of 6 are located in the city of Arnhem, one of them regard the regeneration of the Klarendal district with development of local economy through a long term participatory process. The project is in an advanced stage and it has been developed in collaboration with URBACT II as pilot project in Region for economic change. The results of this project implementation has been considered as success by the National government. Under Priority axis 3: "Attractive Cities – Urban Regeneration" – the urban dimension 2 projects are recognized eligible for money allocation.

⁴¹ A list of 8 project is promoted in the brochure *Une dynamique d'agglomération pour les espaces urbains sensibles – Bilan 2008 France*

⁴² For further details on the single projects refer to the OP London template.

⁴³ In order to evaluate the achievement of goals a set of activity indicators are established by the OP and they are:

15 projects for sustainability and improved attractiveness in cities and urban areas.

15 projects for improved business climate, entrepreneurship and new technology
15 projects to contribute to creating similar conditions and integration of minorities and young people
150 companies participating in the project
150 organisations with many people participating in the project for cohesion and integration
The city of Gothenburg which have a special investment in the OP under Priority 3, granted approval to 4 projects which are targeting economic development of SMEs, and market places, and realization of district social centres in the selected critical urban areas.

⁴⁴ 17 Integrated Sustainable Plans (PIUSS) proposal have been presented in Tuscany to the Regional Managing Authority. 12 have been approved and admitted to financing in October 2009 and January 2010. After the first phase, in which the projects participating to the PIUSS could be presented in a draft form, the 1st March they had to be newly submitted in an advanced or executive level. In April 2010 the Regional Deliberation financing the 12 plans is expected. The final prevision is to implement 14 PIUSS with a total of circa 250 projects.

⁴⁵ A particular aspect of the strategy of the PIUSS is to act in complement with this infrastructural development, so that one of the main objectives of the plan is the integration of the new transportation system into the metropolitan territory: The new tramway line will act as a new spine towards the south-west expansion areas, intensively grown as dormitory districts during the eighties and nineties. This project has been heavily criticized by the public opinion for the management (cfr. Florence public referendum for the tramway line in 2008).

⁴⁶ The main objective of the programme is to improve living standards throughout the country, from both an economic and social point of view. The programme is expected to support 100 integrated urban development projects in economic growth centres, help 200 development projects in problematic territories, improve rural business conditions and employment through 100 development projects, provide assistance to more than 300 healthcare, vocational training and social services and provide significant support to the modernization of the country's social and technical infrastructure. Today, it is expected that 315 projects will be implemented according to Priority 1 "Local and urban development, protection of cultural heritage and nature and its adaptation to development of tourism", and 445 according to Priority 2. The Municipality of Vilnius expects to obtain funding under 6-7 actions of the OP in relation to urban development and plans to implement approximately 20 projects covering the restoration of educational facilities, public space, residential areas and marketing in the field of tourism. The Physical regeneration aspect as well as the boosting of local economy investing in tourism attractiveness is one of the main traits of the projects so far in the phase of implementation.

⁴⁷ *OP Bulgaria* So far 11 grant schemes have been launched within Priority Axis 1: "Sustainable and Integrated Urban Development". At this stage, single projects can apply for funding if they fit within one of the grant schemes. The MA has not reported project completion, but most projects have a contract signed for money allocation. Some of them are in the evaluation phase. In total, 116 contracts were signed for investments in reconstruction, rehabilitation of social, educational, health, cultural buildings and infrastructures in the 86 agglomeration areas in Bulgaria. Combined with measures for promoting social inclusions of disadvantaged groups (access facilities to public institutions mentioned above for disadvantaged groups) and energy efficiency interventions as well. Until October 2009, through the OP Regional Development 539 project proposals have been approved and 313 contracts have been signed with the applicants in all Bulgaria.

For the case of Municipality of Sofia:

1. Grant scheme "Support for improvement of urban environment": Project "Rehabilitation of Recreation Places and Playgrounds for Children in Residential Areas including Reconstruction of Underpasses" in the selected districts in the territory of Sofia
2. Develop public-transport-related infrastructure Sofia Urban Transport under JASPERS for total amount of €60 million. The maximum amount of grants available on the OPRD for the investments is €50 million. The municipality of Sofia will co-finance the project.

⁴⁸ *OP Moravia-Silesia* In the whole CR roughly 30 projects are implemented under 6 Integrated Urban Development Plans in 5 major cities. The Municipality of Ostrava in Moravia-Silesia has started to implement two Integrated Urban Development Plans (which by OP requirement can have either a thematic focus or a focus on a geographic scale) called "Magnet for the Region" with a place based focus and "A Pole of Development", with a thematic focus. The IUDP Magnet for the Region has selected 17 projects and the IUDP "A pole of Development" 34. Some projects are cross cutting the two IUDPs. Independent of a thematic and geographic focus, the majority of the projects of both IUDPs have a focus on infrastructures, mainly physical but also social.

⁴⁹ The available information about Sevilla (ES) were provided by the MA: a series of projects in PolignoSur - a deprived urban areas object of an integrated urban redevelopment plan in Sevilla- will be funded under ERDF Cohesion Policy. In total for the case of Andalusia have been registered 24 submitted application, 11 accepted proposals of Integrated Plans, of which 1 for the city of Seville and 1 in its metropolitan area. Despite the many tentatives of contacting different departments of the Municipality of Sevilla, as well as the Commissionado Poligono Sur (the target area for ERDF funding), it was not possible during the phase of data collection to have feedback on the advancements of project. By the end of the research the Municipality of Sevilla provided the required information through a consultant and apparently none of the projects at Poligono Sur have been started to be implemented on the ground.

⁵⁰ "During the elaboration of regional OPs, this possibility to dedicate an axis to urban interventions related to Art. 8 of ERDF regulation as suggested by the National Strategic Framework *Cadre de Référence*

Stratégie Nationale has been discussed at length. One point made the shift: the requirement that the OP ERDF and ESF meet at least 75% of their budget under the priorities of Lisbon. If the national ESF OP responded quickly, it was much harder for the regional OP ERDF. In fact, given the priorities of Lisbon, many topics have been excluded such as tourism and culture, except where they have been able to re-enter by means of innovation. The managing authorities quickly realised that the urban theme would be earmarked very low and could only partly make its way into the calculation of earmarking. Finally on the urban theme, in France few regions have chosen the option of an axis of intervention; many have chosen the option of a measure; some sub-measures and others have simply excluded the urban theme" (MPM, FR: Interview Feb. 2010).

⁵¹ Cfr. Gray-box in Chapter 4.3.2

⁵² Ex-post evaluation of the URBAN Community Initiative (1994-1999):

http://ec.europa.eu/regional_policy/sources/docgener/evaluation/urban/urban_expost_9499_sum_de.pdf

⁵³ EC, "Framing the urban dimension. Analysis of the Operational Programmes co-financed by the European Regional Development Fund (2007-2013)", 2009

ANNEX I

I. Acronyms

ADEME	Agence De l'Environnement et de la Maîtrise de l'Énergie	GPV	Grand Projet de Ville
AGAM	Agence d'Urbanisme de l'Agglomération Marseillaise (Town Planning Agency of the Marseille Agglomeration)	GSB	Grote Steden Beleid (Urban Policy or Major Cities Policy)
ANRU	Agence Nationale pour la Rénovation Urbaine (National Agency for Urban Renewal)	HF	Holding Fund
BAME	Black Asian and Minority Ethnic	IBB	Investitionsbank Berlin (Subsidy bank of the Federal State of Berlin)
CCDR-N	Comissão de Coordenação e Desenvolvimento Regional do Norte	INSEE	Institut National de la Statistique et des Études Économiques
CPER	Contrats de Projets Etat Région	IUDP	Integrated Urban Development Plan
CR	Czech Republic	JESSICA	Joint European Support for Sustainable Investment in City Areas
CSG	Community Strategic Guidelines	KBS	Kontakt- und Beratungsstelle (Coordination office for the partners)
CUCS	Contrat Urbain de Cohésion Sociale	LAP	Local Action Plan
CU MPM	Communauté Urbaine Marseille Provence Métropole (Urban Community of Marseille Provence Métropole) (also simply MPM)	LDA	London Development Agency
DA	Disciplinare di Attuazione (Implementing terms of reference of the OP)	LDA	Local Development Agreement
DTA	Directives territoriales d'aménagement (regional planning guidelines)	MA	Managing Authority
DIACT	Délégation Interministérielle à l'Aménagement et à la Compétitivité des Territoires	MC	Monitoring Committee (in Berlin: Berlin Monitoring Committee – (Berliner Begleitausschuss))
DIUS	Department for Innovation, Universities and Skills	MoL	Mayor of London
EC	European Commission	MPM	Marseille Province Metropole
EIB	European Investment Bank	MRDPW	Ministry of Regional Development and Public Works
ENDS	National Sustainable Development Strategy	MS	Member States
EPAEM	Établissement Public d'Aménagement EuroMéditerranée	NGO	Non-Governmental Organisation
ERDF	European Regional Development Fund	NPSP	National Programme for Spatial Planning
ESF	European Social Fund	NRP	National Reform Programme
EU	European Union	NSFSD	National Strategy for Sustainable Development
DWP	Department for Work and Pensions	NSRF	National Strategic Reference Framework
FNAU	Fédération Nationale des Agences d'Urbanisme (National Federation of Town Planning Agencies)	OP	Operational Programme
FS	Feasibility Study	OPRD	Operational Programme "Regional Development"
GIP	Acronyme de:Groupement d'Intérêt Public	OPMS	Operational Programme Moravia Silesia
GO	Gelderland & Overijssel	PACA	Provence-Alpes-Côte d'Azur (name of a regional OP in France)
		PASL	Patti di Azione Locale (Action Agreement for Local Development)
		PHARE	Poland and Hungary: Aid for Restructuring of the Economies
		PIUSS	Piano Integrato Urbano di Sviluppo Sostenibile (Integrated Plan for Urban Sustainable Development)
		PMC	Programme Monitoring Committee

PME	Petite et Moyenne Entreprise (Small Medium Enterprise)	SDS	Sustainable Development Strategy
PNPOT	Programa Nacional da Política de Ordenamento do Teritorio (National Programme for Land Use of the National Territory)	SF	Structural Fund
POR CReO	Programma Operativo Competitivà Regionale e Occupazione Fesr 2007-2013 (Operative Programme Regional Competitiveness and Employment)	SME	Small Medium Enterprises
PRDFP	Plan régional de développement des formations professionnelles (regional development plan of vocational training)	SoB	Senate of Berlin
PROT	Regional Programme for Land Management of the North Region	SRADT	Schéma régional de l'aménagement du territoire (regional program of land use)
PSS	Programm-Serviceestelle (Service Agency for Programme Implementation)	SRDE	Schéma régional du développement économique (regional programme of economic development)
QREN	Quadro de referencia Estrategico Nacional (National Strategic Reference Framework)	TETOP	Territorial Enhancement Thematic Operational Programme
REC	Regional Evaluation Committee	UDF	Urban Development Fund
ROP	Regional Operational Programme	UNO	Urban Development of the Northeast)
ROPMS	Regional Operational Programme Moravia Silesia	URP	Urban Regeneration Programme for the City of Poznan (referred also as MRP)
PRU	Partnerships for Urban Renewal	USID	Urban Sustainable Integrated Development
SCoT	Schéma de Cohérence Territoriale	WROP	Wielkopolski Regionalny Program Operacyjny (Wielkopolska Regional Operational Programme)
SIUD	Sustainable Integrated Urban Development	ZAC	Zone d'Aménagement Concerté
		ZFU	Zone Franc Urbaine (Urban Tax Free Zone)
		ZIS	Zukunftsinitiative Stadtteil (Future Initiative Urban Quarter)
		ZUS	Zone Urbaine Sensible

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