

# European urban agenda and its future in cohesion policy

2010/2158(INI) - 23/06/2011 - Text adopted by Parliament, single reading

The European Parliament adopted by 603 votes to 41, with 31 abstentions, a resolution on the European Urban Agenda and its Future in Cohesion Policy.

Parliament recalls that the EU contributes through its policies to the sustainable development of urban areas, and that in addition to national urban policies under the principle of subsidiarity, a **European urban policy should be defined**. The economic crisis of the last few years has heightened disparities and social exclusion in vast peripheral metropolitan areas. It is for this reason that the Parliament supports the establishment of the Urban Agenda.

**Context of the urban dimension:** Parliament notes that the European Urban Agenda comprises on the one hand the urban dimension of EU policies, in particular cohesion policy, and on the other hand the intergovernmental strand of European-level efforts to coordinate the urban policies of Member States. It calls for this coordination to be strengthened between the decision-making levels and for a greater involvement of local authorities. It also calls for the consolidation of the urban dimension and the promotion of **sustainable urban development** and integrated approaches by reinforcing and developing instruments to implement the 2007 Leipzig Charter on the European sustainable city and for more cities to be involved in this project. On the matter of urban development, Members highlight the fact that a range of other EU policies (such as environment, transport and energy) and programmes have a strong impact on urban development. They therefore stress the need for a better understanding of the territorial impact of policies.

**Local needs and/versus European priorities:** Parliament stresses that urban areas, which contain 73% of Europe's population, generate around 80% of the GDP and consume up to 70% of the energy in the Union and are the major centres of innovation, knowledge and culture, thanks, among other things, to the presence of SMEs. Only cities with high-quality services and adequate infrastructure can attract and promote forward-looking activities with high added value. However, it also bears the costs of economic productivity (urban sprawl, concentration, congestion, pollution, land use, climate change, energy insecurity, housing crisis, spatial segregation, crime, migration etc.) and are affected by major social imbalances (high unemployment, social insecurity and exclusion, social polarisation etc.). Measures are therefore needed to develop sustainable, smart, inclusive investments that are appropriate to each individual city's particular needs.

Parliament calls for a **European dimension to cohesion policy** that embodies the concept of smart, sustainable and inclusive growth and focuses on a threefold objective:

1. to help urban areas **develop their basic physical infrastructure** as a precondition for growth in order fully to exploit their potential contribution to economic growth in Europe, diversification of the economic base and energy and environmental sustainability;
2. to help urban areas **modernise their economic, social and environmental characteristics** through smart investment in infrastructure and services based on technological advancements;
3. to regenerate urban areas by **reclaiming industrial sites and contaminated land**, while bearing in mind the need for links between urban and rural areas.

Members favour '**smarter urban development**' making the maximum use of ITCs, intelligent transport systems, energy efficiency of buildings, the sustainable regeneration of urban areas, etc. More generally,

they stress the importance of using available funding to implement programmes promoting renewable energies. They also call for social innovation of disadvantaged neighbourhoods.

**Multi-level governance and the partnership principle:** Parliament reiterates its view that one of the weaknesses of the Lisbon Strategy was the lack of well-functioning multi-level governance and the insufficient involvement of regional and local authorities and civil society in the [EU2020 Strategy](#). It calls for the greater involvement of the political leaders of key urban areas and associations of local and regional authorities in all stages of Cohesion Policy decision-making. It suggests, in particular, that the local authorities draw up concrete programmes of action under their specific development strategies.

Parliament considers that multi-level governance, regional planning and the partnership principle are the most effective tools to prevent sectorialisation and fragmentation of development policies. It calls on Member States specifically to promote contacts and the exchange of good practices on rural-urban strategies because urban areas are not isolated elements within their regions: they are closely linked to their surrounding functional, suburban or rural areas.

In parallel, Parliament underlines the positive role that is played by cross-border cooperation, transnational cooperation and the URBACT initiative playing the networking of cities and calls in particular for the urban dimension of the European territorial cooperation objective to be enhanced in the 2014-2020 period.

It also stresses that the ‘urban regeneration’ process and the ‘integrated approach’ could lead to a new ‘**urban alliance**’ that brings together all stakeholders involved in the ‘city building’ process, based on consensus and improved governance. It also reiterates its call on the Commission to create an ‘**Erasmus for local and regional elected representatives**’ exchange programme in order to encourage the transfer of good practice in strategic local and urban development.

**Sub-delegation of responsibilities:** Parliament takes the view that the Member States should guarantee sufficient budgetary resources to reach the goals of the Cohesion Policy and EU 2020 Strategy. They should moreover make use of the option of subdelegated responsibilities in the implementation and evaluation of the Cohesion Policy, without prejudice to the financial responsibility of the managing authorities and Member States. For the next programming period, Members suggest the implementation of **independent operational programmes managed by particular urban areas**, joint operational programmes covering the urban areas of particular Member States, global grants or ring-fencing of urban measures and resources within specific regional operational programmes. Members also recommend that the share of resources attributed to urban actions should be left to the discretion of programme designers particularly where a region is predominantly rural and weakly urbanised.

**Integrated strategic planning:** Parliament advocates integrated strategic planning principles, as they can help local authorities move on from thinking in terms of ‘individual projects’ to more strategic intersectoral thinking. It stresses the added value and innovative nature – particularly for disadvantaged neighbourhoods – of this ‘bottom-up’ approach. Parliament calls on the Commission to:

- prepare a study comparing the practice to date of individual Member States regarding integrated strategic planning and, on the basis of the outcome of the study, to draw up specific EU guidelines for integrated urban development planning practice;
- make integrated urban planning legally binding if EU funds are used for co-financing projects;
- step up technical assistance towards improved integrated development planning
- boost the synergies with energy, environmental and energy policies.

Parliament also urges local authorities to initiate new public-private partnerships and innovative urban infrastructural development strategies so as to attract investment and stimulate business activity. It recalls the need to have sufficient funding available for disadvantaged areas of cities.

**Comprehensive financial planning:** given the current austerity measures, Parliament recalls the need to improve the efficiency of investments and for the better coordination of all public and private funding available at all levels. It advocates **comprehensive financial planning at local level** as an indivisible component of integrated development planning. All beneficiaries of public funds are also called upon, in line with the concept of result orientation, to sign up strictly to the ‘money for projects, instead of projects for money’ principle.

Once again, Parliament asks that there be more flexible conditions foreseen for cross-financing between the ERDF and the ESF in order to encourage their use and draw particular attention to the complementary nature of these funds. It also stresses the promising role of new financial engineering instruments based on the principles of ‘projects for money’ and ‘money for projects’ put in place during the current programming period and calls on the Commission to pursue the idea in the future. Members believe that **the interest rates of EIB financial tools should be made lower** in comparison with commercial loans to this end.

Members call on the Commission to ensure that financial flows between the European, national and sub-national level are organised in the most efficient and flexible way in the future. They believe that in the future it should be ensured by means of regulations that Member States are more clearly obliged to use **pre-financing for payments** to public beneficiaries such as urban authorities.

Lastly, they call on the Commission to aim at the best possible harmonisation of rules for particular EU funds and programmes under which urban and local development projects are eligible for co-financing.