Urban dimension in the context of enlargement

2004/2258(INI) - 13/07/2006 - Follow-up document

The Community Strategic Guidelines 2007-2013 pay particular attention to specific needs of certain zones, such as urban and rural areas. The guidelines encourage an “integrated approach” to Cohesion Policy so that it encourages not only growth and jobs, but also pursues social and environmental objectives. The importance of urban questions has been recognised under successive presidencies of the Union and the European Parliament welcomed the incorporation of sustainable urban development in Cohesion Policy. Parliament also requested that Council ensure the follow up of this measure in the framework of the annual report on the implementation of the strategy, in line with Articles 29 and 30 laying doing general provisions on the Structural Funds. With the present Communication, the Commission seeks to meet these requests.

The Community Strategic Guidelines define the areas of intervention where it would be appropriate to give a priority to the preparation of Operational programmes for Cohesion Policy for 2007-2013. This Communication stresses certain specific aspects of the urban dimension which may be relevant in this context. It is complemented by a Commission staff working paper (please see the summary of 13/07/2006) which develops the analyses and provides background to the suggestions for actions made in this Communication. The national authorities concerned are invited to make use of the Communication in their discussions with relevant partners, in particular local authorities and the regions. The proposals for actions cover a large number of areas and reflect the possibilities for intervention by the Structural Funds. These can vary according to whether the cities belong to the regions benefiting from the convergence Objective or regional competitiveness and employment Objective.

The paper discusses the importance of **attractive cities** for jobs and growth. The challenges to be met vary from one city to the next. Some cities have to solve the problems caused by population growth, increase in property prices, lack of available land, traffic congestion, and overstretched public services. Other cities suffer from population loss, dereliction, too few jobs or low quality of life. At least four key issues require attention: transport, accessibility and mobility; access to services and amenities; the natural and physical environment; the cultural sector. It proposes guidelines for actions under each of these headings. (Please refer to the summary of 13/07/2006.)

The Commission goes on to discuss measures to **support innovation, entrepreneurship and the knowledge economy.** Cities often naturally provide a stimulating environment for innovation and businesses to flourish and there are steps they can take to further foster this environment. The added value of city-level actions is that they have more information on the specificities of the business environment and are able to carry out smaller scale complex actions tackling multiple interlinked problems. Guidelines for actions are proposed under two main headings: actions for SMEs and micro-enterprises, and innovation and the knowledge economy promoting growth.

The need for **more and better jobs** is also covered and guidelines are presented under two headings:

- the Paradox of Cities: many jobs, yet high unemployment: the paradox is that cities concentrate both needs and opportunities. Highly qualified people are over-represented in cities, so are those with very low skills and levels of qualifications;

- improving employability by raising levels of educational achievement and training.

The Commission emphasises the importance of **disparities within cities**. The urban paradox is also reflected in disparities between neighbourhoods. The Urban Audit shows that almost all cities where

unemployment is at a level of 10% or higher, have certain areas within which unemployment rates are at least double the city average. In some cases, unemployment rates reach up to 60%. Within such deprived neighbourhoods, high unemployment is compounded by multiple deprivations in terms of poor housing, poor environment, poor health, poor education, few job opportunities and high crime rates. Guidelines are proposed under the following headings: promoting social inclusion and equal opportunities; and increased security for citizens.

With regard to **governance**, the Commission proposes guidelines under the following headings:

- for cities and regions, what is required is flexible co-operation between the different territorial levels. Cities must find forms of governance which respect the institutional organisation of each Member State and which are able to manage all aspects of urban development;

- the integrated approach to sustainable urban development: urban development is a complex and long term process. Cities should integrate this development in a long term perspective in order to maximise the many factors of success. The success of the URBAN Community Initiative is in no small measure due to the integrated approach. URBAN has targeted social and economic cohesion removing barriers to employability and investment at the same time as promoting social and environmental goals. The mobilisation of a broad range of partners with different skills has underpinned this approach;

- citizen participation: this is a democratic imperative - the engagement of local residents and civil society in urban policy can give legitimacy and effectiveness to government actions;

- networks and exchange of experience.

Finally, guidelines are proposed for **financing urban renewal**. Urban renewal has been extensively supported by the EU Structural Funds. In the framework of the new regulations for the European Regional Development Fund (ERDF), the Cohesion Fund and the European Social Fund (ESF) the managing authorities of operational programmes will be able to finance a wide range of urban development projects. Urban development may also be supported by the Initiatives JASPERS, JEREMIE and JESSICA. This will allow for an increase in the leverage of public resources by attracting contributions from the private sector.