

“THE INTEGRATED APPROACH TO SUSTAINABLE URBAN DEVELOPMENT IN 2014-2020: IMPLEMENTING ARTICLE 7”

Final Thematic Report

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1. Introduction

1.1. Background

At the end of 2012 the principle of a new generation of the URBACT Programme (URBACT III) was stated. The study “Implementing new concepts and tools for sustainable urban development 2014-2020” is been carried out in the perspective of the new ERDF programming period, which will run from 2014 to 2020. The latter includes new tools and concepts that represent new opportunities for programming the urban dimension. For this Study, the URBACT Monitoring Committee has expressed a specific interest towards the following concepts: **integrated strategy and action plan**, the **participatory approach** and **urban-rural linkages**.

In the new programming period, the URBACT programme will work with cities that will have to use the above concepts and the tools proposed in the new regulation of the Cohesion Policy and by the Managing Authorities for sustainable and integrated urban development. These tools include, for example, Integrated Territorial Investment (ITI), Urban Axis, Community Local Led Development (CLLD) and the creation of an Urban Development Network, amongst others. Therefore, achieving a common understanding of these concepts and tools amongst stakeholders who will have to implement them becomes of paramount importance.

1.2. The Study: Towards a shared understanding of the concepts and tools in the new programming period

1.2.1. Aims

Through this study, the URBACT programme aimed to:

1. **Develop a shared understanding of the concepts and tools for sustainable and integrated urban development among the different stakeholders concerned by these concepts and tools for the next programming period;**

As mentioned above, a first and necessary step to develop *a shared understanding of these concepts and tools* is to clarify what is meant by them, including a reflection on the main challenges and issues they may pose. To this end, the work carried out by the research team and the URBACT Secretariat, as well as with the participants of the three working seminars of the project, sought to unpack these concepts and their possibilities. This exercise aimed at maximising the potential of these concepts and tools, ensuring as much as possible their enhanced up-take.

2. **Issue recommendations so as to how these stakeholders may use these tools to foster a sustainable urban development.**

Following from a shared understanding of the concepts and tools for sustainable and integrated urban development, as set out above, the study’s team has proposed a number of concrete recommendations on how concerned urban development actors across European cities may apply these tools. These recommendations take into consideration different realities across member states (i.e. different levels of economic

development) as well as different levels of action (city, region and national level), and any differences in interactions between different spatial levels.

1.2.2. Methods and deliverables

The study applied a mix of methods, including:

- **Review of secondary data** (case studies; practice and academic literature; policy documents, etc.)
- **Interviews with key informants**, i.e. people with particular insights into each topic, representing different sectors, geographies and disciplines.
- **Three working seminars**, each focusing one of the three topics of this study. At the seminars, invited experts and practitioners (EU, national, regional and city levels) confronted policy approaches, good practices, etc. to issue recommendations. The seminars were not public conferences on the above topics but closed working seminars, involving 30 – 50 persons (representatives of national authorities, Managing Authorities, cities) selected to provide specific input to the study based on their concrete expertise and experience.

The deliverables of the study are:

- **Three thematic reports**, one on CLLD, one on Article 7 and one on rural urban linkages. These reports are based on the respective discussion papers that informed each seminar and include both the recommendations coming from the seminar as well as additional information gathered during and after the realization of each seminar. They are stand-alone documents.
- **A final report**, bringing together the main findings and recommendations of each seminar report and providing integrated conclusions and a set of recommendations on the three concepts and tools under study.

1.3. Purpose and structure of this report

This report aims to contribute to a shared understanding of the role that the new territorial tools can play in implementing Article 7. The information presented is based primarily on desk research, case study material and discussions held at the seminar “Implementing Article 7”, held on 11 September 2014 in Rome. The report is structured as follows: after this introduction, the second chapter provides a brief overview of the key features of the integrated approach to sustainable urban development in the previous programming period, including some lessons from past case studies. Chapter three then goes on to outline the main characteristics of the new period, highlighting Article 7 and the new tools to implement the integrated approach, along new opportunities and challenges that these represent. In chapter four we provide an initial outlook on how different Member States have dealt with Article 7 in their respective partnership agreements, up to December 2014. In this chapter, we present some general, provisional data, as well as more in-depth information on five country/region examples. Chapter five summarizes key findings from this Study, including expectations and suggestions by seminar participants on the complementary role that the URBACT programme could play to support the implementation of the integrated approach and Article 7 in the new period. Chapter 6 provides some concluding remarks and recommendations emerging from the study, targeting different types of policy design and implementation audiences.

2. The integrated approach to sustainable urban development in the past programming period (2007-2013)

2.1. Overview

The 2007-2013 period saw the mainstreaming of the ‘urban dimension’ in cohesion policy. As a result, urban areas have become potential beneficiaries of EU structural funds. EU ministers have endorsed a political agenda for urban development in Europe, which fosters the integrated approach to urban development as a way to overcome the limitations of a sectoral and fragmented approach to urban questions. This led to the elaboration of a set of common principles, which has been acknowledged as the EU *Urban Acquis*¹ and which has become an integral part of the Leipzig charter.² Managing Authorities of the structural funds have been given the possibility to include a vertical priority dedicated to urban development in their operational programmes.

URBACT should be included in this landscape as the main EU programme that has the aim to support the promotion of the integrated approach across EU cities, etc.

Against this backdrop, the ‘integrated approach’ has been a dominant recurring theme in the Leipzig Charter, the Urban Acquis, the Barca report³ and many other urban policy documents of the past decade. Article 8 of the ERDF regulation specified an integrative, sustainable and participative approach to urban regeneration, especially for deprived urban areas:

[...] in the case of action involving sustainable urban development as referred to in Article 37(4) (a) of Regulation (EC) No 1083/2006, 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. [...].’

Regulation (EC) No 1080/2006 of 5 July 2006 on the ERDF. ⁴:

Here, ‘integration’ is understood as the opposite of sectoral or silo-based delivery in which development is disconnected and fragmented. One aspect of Article 8 allowed the use of the cross-funding option whereby up to 15% of ESF-type actions could be funded by the ERDF. However, this opportunity has been adopted only occasionally by operational programmes in the 2007-2013 period.⁵

Integration also refers to the interdependency of environmental, social and economic planning policies. It is aimed at addressing the complexity of urban problems by developing the capacities of local areas, citizens and governance systems. As pointed out earlier, the idea of integration is used in policy documents as if it were a single concept; in practice, however, integration can be interpreted from a variety of perspectives, including:

¹ Urban Acquis at <http://www.bmvbs.de/cae/servlet/contentblob/31294/publicationFile/497/urban-acquis-englisch-november-2004.pdf>

² http://www.eukn.org/E_library/Urban_Policy/Leipzig_Charter_on_Sustainable_European_Cities

³ “An agenda for a reformed cohesion policy”, April 2009.

http://ec.europa.eu/regional_policy/archive/policy/future/pdf/report_barca_v0306.pdf

⁴ [http://ec.europa.eu/regional_policy/sources/docoffic/official/regulation/pdf/2007/feder/ce_1080\(2006\)_en.pdf](http://ec.europa.eu/regional_policy/sources/docoffic/official/regulation/pdf/2007/feder/ce_1080(2006)_en.pdf)

⁵ DG REGIO (2010). Study on Sustainable urban development – implementation praxis of Art. 8.

- Horizontal integration is about organising and coordinating the policy fields in a specific area including the formation of partnerships and promoting citizen participation.
- Vertical integration is about aligning policies from different levels of government and in the case of Article 8 applying them coherently in an area-based initiative;
- Territorial integration is about how to organise sustainable urban development at the most appropriate scales, such as neighbourhood, municipality or city region.

A truly integrated approach requires the interrelation of these aspects, which is certainly a challenging endeavour for a city. In this regard, a great deal can be learned from both successes and failures of past experiences, as we can see in the next section.

2.2. Lessons from case studies on integrated approaches in the 2007-2013 period

An EU sponsored study⁶ of cities benefiting from ERDF funding, which engaged in launching integrated policies, showed that there are four main features that can be taken into consideration to understand how cities coped with the principles of Article 8 in the 2007-13 regulation:

1. *The policy schemes for integrated planning:* In many of the EU-15 countries, national policies and programmes exist, which act as frameworks for local projects, influencing the selection of intervention areas through different forms of assessment and indicators. Some examples of these are briefly presented in Figure 2. In other countries, notably in the new Member States, the study found that such national programmes either do not exist or are very weak.
2. *The integrated planning tools:* Article 8 in the 2007-13 regulation encouraged the adoption of specific integrated planning tools to develop deprived areas in a sustainable way. The case studies present tools, which aim to facilitate interdepartmental collaboration. In France, ERDF Article 8 intervened in support of Urban Contracts for Social Cohesion (CUCS), which were included in the Integrated Urban Programmes contained within the regional operational programmes for the current period.
3. *The organisations or institutions managing and steering the integrated process:* The majority of the practices were steered by technical departments within the municipal administration responsible for the overall plan. The bringing together of capacity, competencies and human resources is crucial to achieving the aim of coordinating multilevel and multifaceted relations among sectors.
4. *The level of citizen participation in governance:* Citizen participation was an explicit requirement of Article 8 in the past period. Although none of the cases explicitly referred to Article 8, thanks to the legacy of the URBAN initiative there are many examples of public participation and local empowerment (5 Even though URBAN was not available for EU-12, some succeeded in implementing strategies with an integrated approach.)

⁶ DG REGIO AND URBAN (2013) Urban Development in the EU: 50 projects supported by the European Regional Development Fund during the 2007-13 period. Final Report. European Commission, Regional and Urban Policy. March 2013.

We have referred to integration earlier in terms of coordination between policy areas (horizontal), between different levels of government (vertical) and across different scales in specific areas (territorial multicooperation). The integrated approach requires management innovation in local government; in other words, it calls for a paradigm shift in the way local government manages policy fields, multi-level governance and functional areas. The aforementioned study found evidence of different levels of integration between specific projects in different cities. Furthermore, the study states that it is not clear whether the integrated approaches will continue after the end of EU support, as the national frameworks are relatively weak in these countries. It concludes that the success of integrated approaches should be analysed beyond physical changes, considering other factors such as the cohesion within the local community (being involved in the community, and having influence on local decisions); quality of life in the neighbourhood (it becomes a better place to live); and life chances of the residents (better access to jobs, better education, health etc.).

Table 1 National and/or regional policy schemes for integrated sustainable urban development
In a number of countries, particularly amongst the EU-15 member states, national or regional schemes have been supported through their respective national frameworks. Some examples include:
<ul style="list-style-type: none"> ➤ The French Politique de la Ville was among the first national programmes in Europe to focus on disadvantaged neighbourhoods with the overall aim of reducing inequalities, and the Sensitive Urban Zones (Zones Urbaines Sensibles – ZUS), were identified at national level. Urban Social Cohesion Contracts (Contrats Urbains de Cohésion Sociale – CUCS) were signed between the National Urban Renovation Agency (ANRU) and local administrations. Complex partnerships have been developed in the strict national governance scheme, which is designed to deliver integrated planning for urban renewal.
<ul style="list-style-type: none"> ➤ In Germany, the Socially Integrative City (Soziale Stadt) programme takes a similar approach to delivering a scheme for the integrated regeneration of disadvantaged areas at national level, by providing planning tools and a legal framework for integrated intervention. However, despite the national framework, the selection of the areas followed a particular process based on the needs of the municipality.
<ul style="list-style-type: none"> ➤ In Spain, the Iniciativa Urbana (Urban Initiative) governance scheme is based on a direct relationship between the national and the municipal level, whereby cities apply for block grants. To a certain extent, this is seen as compensation for the strong regional autonomy of the Spanish model. One aspect of the Spanish system is that there is no ministry explicitly dedicated to urban development, so the evaluation process is coordinated and supported by a private company.
<i>Source: DG REGIO AND URBAN (2013). Urban Development in the EU: 50 projects supported by the European Regional Development Fund during the 2007-13 period. Final Report.</i>

Different stakeholders involved in urban development in Europe have called for upgraded tools to perform sustainable urban integrated development. This is considered one of the key challenges for the present round of Cohesion policy. In the next chapter we will provide an overview of the new concepts and tools that Cohesion policy is bringing in the 2014-2020 period.

3. The new regulatory framework for the integrated approach to sustainable urban development in 2014-2020

The socio-economic context within which cohesion policy for 2007-2013 took shape has transformed significantly. EU cohesion policy has been affected by the financial crisis and the ensuing social, economic and political consequences, which is reflected in new priorities and strategies. The recent Europe 2020 Strategy is a fundamental review of the Union's policies. The Lisbon Agendas growth and jobs and the Gothenburg Agenda on sustainable development (2005) have been channelled into a new thematic strategy for Europe 2020 whose three goals are 'smart, sustainable, inclusive growth'. The Europe 2020 strategy responds to the European and global post-crisis environment by proposing seven flagship initiatives⁷ to catalyse progress under each priority theme. Cohesion policy and its structural funds are set out as key delivery mechanisms to achieve the goals.

3.1. New features of the ERDF regulation in 2014-2020

The new regulatory framework for integrated sustainable urban development in the programming period 2014-2020 contains a number of changes, notably:

➤ *A more holistic approach*

The European Regional Development Fund (ERDF) should support sustainable urban development through integrated strategies that tackle the economic, environmental, climate, social and demographic challenges of urban areas, as stated in Article 7 of the ERDF regulation:

“The ERDF shall support, within operational programmes, sustainable urban development through strategies that set out integrated actions to tackle the economic, environmental, climate, demographic and social challenges affecting urban areas, while taking into account the need to promote urban-rural linkages.”

This principle has two implications: first, resources should be concentrated in an integrated manner to target areas with specific urban challenges; at the same time, ERDF-funded urban development projects should be integrated into the wider objectives of the programmes. EU Member States should seek to use the European Social Fund (ESF) in synergy with the ERDF to support measures related to employment, education, social inclusion and institutional capacity designed and implemented under the integrated strategies. It is worth noting that integrated priorities were common prior to the mono-fund approach from 2007 onwards.

➤ *Stronger focus on urban development at programming level*

Partnership Agreements and Operational Programmes should set out the arrangements to ensure an integrated approach to the use of ESI funds for the sustainable development of urban areas within the wider context of territorial development. The Commission also expects to see this urban development approach closely linked to the integrated approach addressing the specific needs of geographical areas most affected by poverty, or of target groups at highest risk of discrimination or exclusion – as set out in the Partnership Agreement and the Operational Programmes.

⁷ Innovation Union, Youth on the move, A digital agenda for Europe, Resource efficient Europe, An industrial policy for the globalization era, An agenda for new skills and jobs, European platform against poverty.

➤ ***Investment priorities tuned to facilitate tackling urban challenges***

A number of the thematic objectives supported by the ESI funds have urban-specific investment priorities e.g. promoting low-carbon strategies for urban areas; improving the urban environment, including the regeneration of brownfield sites and the reduction of air pollution; promoting sustainable urban mobility, and the promotion of social inclusion through supporting the physical, economic and social regeneration of deprived urban areas (listed under Article 5 of the ERDF regulation). These investment priorities could be embedded in the integrated urban development strategy of an urban area (Article 7 ERDF regulation), complemented by actions supported by the ESF under its investment priorities (Article 3 of the ESF regulation). It is worth noting that only integration between Investment priorities that are selected for inclusion in the programme from this limited number of thematic objectives is possible. The city should therefore seek to integrate all the operations funded via the strategy, whether from ESI funds or not. The ITI, if chosen, is capable of bringing in thematic objectives from other programmes, which might broaden the scope.

➤ ***Improved tools to deliver integrated actions: The Integrated Territorial Investment (ITI) and Community Led Local Development (CLLD)***

Integrated Territorial Investment (ITI) is a tool to implement territorial strategies in an integrated way. ITI allows Member States to implement Operational Programmes in a crosscutting way and to draw on funding from several priority axes of one or more Operational Programmes to ensure the implementation of an integrated strategy for a specific territory. The ITI is expected to support integrated actions in urban areas as it offers the possibility to combine funding linked to different thematic objectives, including the combination of funding from those priority axes and operational programmes supported by the ERDF, ESF and Cohesion Fund (Article 36 of the Common Provisions Regulation). An ITI can also be complemented with financial support from the EAFRD or the EMFF.

Community-Led Local Development (CLLD) is an approach that promotes the implementation of bottom-up, local development strategies prepared and executed by local action groups involving representatives of all sectors of local interest. It is an extension of the LEADER approach into urban areas promoting community ownership and multi-level governance. CLLD allows for needs-based capacity building activities, networking and stimulating innovation already at neighbourhood level in order to empower communities to fully exploit their potential (Articles 32-35 of the Common Provisions Regulation). The use of this tool in urban areas is a new feature in 2014-2020 period and was explored in the first seminar of this study.

➤ ***Ring-fencing funding for integrated sustainable urban development***

Article 7 requires that a minimum of 5 % of the ERDF resources allocated to each Member State shall be invested in the implementation of integrated strategies for sustainable urban development. These strategies can be financed and implemented through the following mechanisms:

- Integrated Territorial Investment (ITI)
- A specific operational programme
- A specific priority axis (Article 7(2) of the ERDF regulation)

➤ ***Increased responsibility for urban authorities***

The implementation of sustainable urban development strategies requires a degree of delegation to the urban authority level (Article 7(4) and 7(5) of the ERDF regulation). This may vary according to the institutional arrangements of each Member State but urban

authorities shall be responsible for at least the selection of operations. Each Member State is required to set out in its Partnership Agreement the principles for the selection of the urban areas where integrated actions for sustainable urban development are to be implemented and an indicative allocation for those actions.

3.2. New opportunities, new challenges

The above mentioned changes to the regulations on how to implement integrated sustainable urban development represent both new opportunities to improve results in relation to the past period, and also new challenges for cities and managing authorities.

In terms of opportunities, the Commission considers the new regulations to provide a reinforced integrated approach to tackle urban challenges. Indeed, while only an option in the 2007-13 period, urban development will be implemented through strategies setting out integrated actions in the 2014-2020 period (Article 7 ERDF regulation). In addition, Article 12 of the ESF regulation provides for the complementary contribution of ESF to such strategies. Furthermore, there is an emphasis on a more functional approach allowing for interventions at the right scale. Interventions of sustainable urban development can cover different types of cities and urban areas, as defined by Member States. This allows for the financing of integrated actions ranging from neighbourhood or district level to functional areas such as city-regions or metropolitan areas – including neighbouring rural areas and cross-border urban systems.

In order to facilitate the above aims, the Commission has introduced new tools to promote integrated actions, such as integrated territorial investment (ITI) and community-led local development (CLLD). These are meant to facilitate different ways of implementing urban development strategies. In order to be used effectively, however, these tools will need to be widely disseminated and properly understood by the concerned stakeholders. Through this study, we have found evidence of a need for further and more intensive efforts by the European Commission to inform Member states (and notably, managing authorities and cities) about the aims and possibilities of these tools. Furthermore, discussions need to take place with local stakeholders in order to find an appropriate fit of these tools to specific local realities and capacities. This is also linked to the need to invest in capacity building at local level to maximise the use of the new tools.

All in all, the new regulations and tools will also mean more responsibilities for Member States and Managing Authorities. The latter will have the possibility to give cities the opportunity to design and implement fully integrated strategies, which combine the resources of different priority axes and operational programmes. Urban authorities receiving funding in line with ERDF Article 7 will have to have in place integrated urban development strategies that are able to tackle the multiple challenges facing their cities. They will also have a broader scope of responsibility concerning the actual implementation of that strategy, as a minimum level of delegation will be required. The Managing Authorities will have to put in place arrangements to delegate a number of tasks (at least project selection) to urban authorities related to implementation of sustainable urban development strategies. While all of this means new opportunities, there are also important questions regarding the actual knowledge, skills and capacities/resources that cities will need to have in order to deal with these new responsibilities. Again, information, discussion and capacity building are necessary elements to prepare local actors for these new challenges.

4. Implementing Article 7 in 2014-2020: Initial outlook

In this chapter we provide a brief overview on how Article 7 has been dealt with in partnership agreements in the initial phase of the current programming period in different Member States. In addition, we present five concrete cases of cities/regions planning to use different mechanisms to implement Article 7, namely: The French region of Nord Pas de Calais, the Randstad region in the Netherlands, Poland (particularly, the example of the city of Wroclaw as part of the Lower Silesia region) Italy and Germany. These different examples were presented and discussed at the Study's seminar and illustrate a variety of situations on how the different available tools will be used.

4.1. General overview

Over the period of data collection for this Study (May 2014 – January 2015), negotiations on partnership agreements for the new period were still ongoing but were largely completed by the end of the study. Hence, the information presented in this chapter aims to provide a general picture of the situation, with particular focus in a selection of Member States covering various contexts across EU 28.

Provisional data obtained in the context of this Study indicates that approximately 110 Operational Programmes (OPs) will be involved in supporting Art 7. It is worth noting that many Member States are using more than one of the mechanisms, in cases where there are several contributing (regional) OPs (Belgium, Germany, Spain, France, Greece, Italy, Portugal and Sweden). Specific data on each mechanism include:

- 17 Member States will use ITI in more than half of the 110 OPs making up more than 40% of the Article 7 allocation. Article 7 is funded exclusively through ITI in Czech Republic, Finland, Croatia, Lithuania, Luxemburg, Latvia, The Netherlands, Poland, Slovenia, Slovakia and the United Kingdom.
- A Priority axis will be used in 18 Member States in just under half of the 110 OPs with a just over half of the allocation. Article 7 is funded exclusively through a priority axis in Austria, Bulgaria, Cyprus, Denmark, Estonia, Hungary, Ireland, Malta and Romania.
- A specific Operational Programme will be used in four cases in four different Member States (Brussels, Stockholm, Prague, and Operational Programme for Metropolitan cities in Italy).

When comparing the same provisional data on the thematic breakdown of ERDF in general with that of Article 7 frameworks, it seems clear that the thematic focus of Article 7 spending differs significantly from overall ERDF expenditure as Thematic Objective (TO) 4 (supporting the shift towards a low carbon economy in all sectors) is absorbing a major part of the allocation along with TO6 (Protecting the environment and promoting resource efficiency) and TO9 (Promoting social inclusion and combating poverty). ITIs will cover on average 5.3 TOs, while priority axes only 2.8. On the whole a Sustainable Urban Development set-up will include four ERDF TOs in addition to ESF contribution in almost half of the cases.

4.2. Article 7 and the new instrument Integrated Territorial Investment (ITI): State of play

The evidence collected for the study points to a wide interest across Member States to use the new instrument ITI. Recent estimations⁸ indicate that 20 Member States will use ITI (17 Member States for Article 7 and 14 Member States for outside Article 7 framework, also) in approximately 100 OPs. The total allocation is EUR 13.8 billion (out of which EUR 11.3 billion ERDF), where:

- Urban ITI: EUR 7.3 billion ERDF (around EUR 7.0 billion under Article 7)
- Non-urban ITI: EUR 4.0 billion ERDF

An earlier report⁹ by the Council of European Municipalities and Regions (CEMR, June 2014) on the state of play of the use of the ITI by Member States and Managing Authorities showed that ITI will be applied beyond urban areas, and will help develop an integrated approach also in functional areas, within cities, targeting neighbourhoods, at regional or at local level. However, the report also points out that some countries will use the integrated concept of ITI but will not implement it using the provisions of the regulation. These could be termed ITI like approaches.

The main issue highlighted by the report was the lack of a clear vision on what an ITI should be and how to use ERDF and ESF together. It took time for Member States to decide on whether to deploy this ITI in their Partnership Agreement and to encourage Managing authorities to implement it. Further time is likely to be needed for cities and regions to develop integrated development strategies. The report concludes that the involvement of local and regional authorities which will benefit from this instrument should be done from the beginning of the process in order to facilitate the ownership and to be able to adapt the rules of management, monitoring and audit to such an instrument in due time.

Bulgaria	ITI will be applied in the North Western region, which is the weakest region in terms of development levels (as measured by GDP) in the country.
Croatia	Article 7 will be implemented exclusively through ITI. Their partnership agreement contains detailed provisions for doing so, including clear thematic priorities (e.g. cities as drivers of sustainable and smart economic growth; fighting climate change and promoting energy efficiency; fighting poverty and supporting social integration).
Czech Republic	There will be 7 ITIs, in particular metropolitan Prague.
United Kingdom	In England, ITI in the context of Article 7 will be implemented in London plus the English Core Cities. Following last minute negotiations, Cornwall and the Isles of Scilly LEP (Local Enterprise Partnerships) would also have an ITI, but it would be outside Article 7.

⁸ DG Regional and Urban Development.

⁹ Council of European Municipalities and Regions (CEMR) (2014). Cohesion Policy. The use of Integrated Territorial Investments (ITI) by Member States. CEMR overview. June 2014.

Table 2 Overview of implementation of Article 7 through ITI (in 13 selected EU member states)	
Finland	ITI will cover the six largest cities: Helsinki, Espoo, Vantaa, Tampere, Oulu and Turku. Joint development strategy based on ICT.
France	10 regions have included ITI in their draft OPs.
Germany	ITI will be implemented only in Schleswig-Holstein and Baden-Württemberg.
Poland	ITI will cover 17 regional capitals and their functional urban areas. There will be a single ITI covering three agglomerations: Czestochowa, Bielsko and Rybnik. ITI will also be used in other second tier regional areas (see case study of Wroclaw in this report).
Romania	ITI is considered one of the tools to support the Ministry of Regional Development and Public Administration to implement the Danube Delta Integrated Sustainable Development Strategy, which aims to achieve planned and environmentally sensitive development of the Danube Delta region, an ecologically rich but economically challenged region of the eastern part of Romania.
The Netherlands	<ul style="list-style-type: none"> • Amsterdam, Rotterdam, The Hague and Utrecht: targeting specific common challenges at neighbourhood level using an ITI. • Flanders: Limburg, Kempen and West Vlaanderen: low employment, reconversion, restructuring industry.
Latvia	There will be 9 ITIs, one in each of the nine leading cities.
Lithuania	ITI will be implemented in the 5 largest cities (above 100,000 inhabitants).
Slovakia	There will be 8 regional ITIs and 8 ITIs at city level.
<i>Source: Own elaboration on the basis of CEMR (June 2014)</i>	

In some countries, ITI will be combined with operational programmes and priority axis, such as in the case of the Randstad region in the Netherlands, where a highly structured arrangement has been established to use the new tools in this period (see Case 2, below). In Italy, there will be a national operational programme implementing Article 7, and in France, regions will also have their own operational programmes dealing with integrated sustainable urban development (see Case 1, below). Challenges in this regard point to the effective coordination between both levels to maximise the use of these tools. In Germany, Article 7 will be implemented through operational programmes and priority axis, with only two regions using the new tool ITI (see table 2).

4.3. Examples of the proposed implementation of the new Article 7 regulation

Case 1: France : Ile de France and Nord Pas de Calais Region

In this section we present two concrete examples of how Article 7 is to be implemented through the cases of Ile-de-France and Nord-Pas-de-Calais, respectively. Box 1 provides a brief overview of Article 7 in France.

Box 1

Article 7 in France: National context

In France, the new “Contract de Ville” and Article 7 have been brought together to provide an integrated approach to sustainable urban development in deprived areas. The former provides a national framework within which each municipality has to define the deprived areas that they are going to target, on the basis of nationwide indicators.

10% of ERDF (and 1.8% of ESF) will be dedicated to Article 7. Overall, regional authorities will become the managing authorities in France. A subsidiarity principle will operate through the inter-municipality level in the selected cities, which will have a large role in the process of elaborating and implementing urban integrated strategies. The partnership agreement does not specify whether ITI or an urban axis will be used for specific regions. This is a choice for the regional managing authorities.

In France there is no multi-fund approach for financing territorial strategies. As a consequence it is considered difficult to implement integrated strategies using both ERF and ESF as far as at regional level they are various ESF managing authorities or intermediate bodies and one ERDF managing authority. Cities will assemble the useful funds with respect to their own objectives and strategy. A specific methodological tool has been prepared to deal with this, which is a guideline document on the European dimension of the Contrat de Ville.

Example #1: Ile-de-France

In Ile-de-France, Article 7 will be implemented through ITI. In the range of 10 to 12 ITIs will be realised with a minimum budget of €5 Mill for each ITI. The focus will be on deprived urban areas, which are defined as a key priority for this region, where inequalities are very strong as compared to the rest of the country. 20% of the Ile de France programme budget for ERDF and ESF will be devoted to these areas.

In terms of process, a call for proposals will be launched in February 2015 at regional level to choose the territories that will implement ITI. The selection of the projects will be delegated to inter-communal structures (see above). Funds will be allocated to every axis of the programme in the cities, according to their specific objectives.

Overall, the region has significant experience with ERDF, as in the past period 10 territories had integrated projects. However, ESF was not used. The aim now is to have a convention between the managing authorities and the selected intermediary bodies to have a minimum of 2 obligatory objectives. The specific objective devoted to the ITI is “equal opportunities”, which the region aims to mainstream across projects using ESF. There is one national Operational Programme and one Regional Programme for ESF for the Ile de France. The central government encourages the regions to go for integrated projects linking both programme levels.

Example #2: Nord Pas de Calais Region and Lille Métropole

The Nord-Pas de Calais Region plans to implement Article 7 in the new programming period through ITIs based on urban contracts at agglomeration level. 13 ITIs are expected for the Region (one for each agglomeration). Some 80M€ of ERDF will be dedicated to ITIs, out of a total programme value of 653M€, which is more than 12.25% of the total amount. The distribution of the budget envelope will be relative to the population. It will aim to mobilize the ITI within sustainable urban development strategies, and more specifically within Urban Renewal and Urban Policy challenges.

The implementation of the Integrated Territorial Investment is matched to a territorial and social reality. 95% of its inhabitants live in predominantly urban areas compared to 82% at national level. A large section of the population groups together within agglomerations which vary from the smallest of only 60,000 inhabitants (Cambrai) to the largest at more than 1,1 million (Lille) and which are organized in extensive systems constituting a real functional urban area. In 2010, 19.5% of the regional population was defined as living in poverty compared to 14.1% in France.

The inclusion of Integrated Territorial Investments (ITI) in the operational programme follows an extensive period of collaboration with local authorities. This period lasted for nearly a year and brought together more than 3,000 stakeholders, including the local authorities. With an integrated approach, ITI is seen as an opportunity to take into account the urban challenge and to concentrate European funds on specific urban renewal projects through the key priorities that the region wants to address (Box 2).

Box 2

Key priorities for Nord Pas de Calais

The ITI will address 6 investment priorities:

IP 3a: Promoting entrepreneurship

IP 2c: ICT applications

IP 4c: Energy efficiency in public infrastructure including housing sector

IP 4e: Promotion of low carbon strategies for all types of territories, including the promotion of sustainable multimodal urban mobility

IP 6c: Cultural and natural heritage

IP 6e: Urban environment

Inter-communal structures can mobilize these investment priorities differently, according to their local strategy.

The metropolitan area of Lille (Lille Métropole) will implement one ITI. There are 250,000 people in this area (out of 1,1 Mill inhabitants in Lille Métropole as a whole) and about 400 ha of derelict urban land. At the same time, the area has a strong economy and is an important education provider. In this context, the ITI (between 30 and 40 Mill EUR) is not considered a large amount to deal with such a high level of social and physical challenges.

The integrated approach will be implemented through a strategic integrated plan, based on Lille's "Vision 2020", focusing on key priorities. ESF is not included in the ITI for Lille Métropole. The metropolitan authority selects projects jointly with the management authority.

Case 2: The Randstad region, The Netherlands

National context

The Netherlands has a long history of decentralisation and extensive experience with the integrated approach to sustainable urban development over the last 15 years. Building on this, the new EU Cohesion programming period, ITI has been chosen as the main mechanism to implement Article 7. There are 4 operational programmes in the Netherlands. One of them is the West-Netherlands (Randstad) operational programme 'Kansen for West II'. This programme is a collaboration of 4 provinces and the 4 main cities in the Randstad. In each of those cities an ITI on sustainable urban development will be implemented, whereby the focus depends on the specific needs of the city. A multi-fund approach, combining ERDF and ESF will be applied.

Example: The Randstad Region

In the Cohesion Policy 2014-2020 programming period, the main investment focal point will be on the (economic) performance of the Randstad by focusing on Innovation and the Low-Carbon economy. The ITIs will address the paradox of the growth of the knowledge economy potentially leading to the rise of urban segregation. The focus is therefore on mismatches in the labour markets and on the redevelopment of small-scale work and business locations. The ITIs will be implemented through delegation to the cities as Intermediate Bodies.

What is Kansen voor West?

Kansen voor West (Opportunities for West) is a cooperation of the eight partners of the Randstad: the four provinces and four main cities. The four cities are Amsterdam, Rotterdam, The Hague and Utrecht. The provinces are North- and South Holland, Utrecht and Flevoland - all of them with elected governments. The managing authority of the programme is the City of Rotterdam, represented by the executive board. Hence, Rotterdam has a double function: as managing authority of the whole operational programme and in charge of the Rotterdam ITI.

This modus operandi started with the 2007-2013 programme and will be continued in the 2014-2020 programming period. The responsibilities for the ITIs will be delegated by the managing authority to the executive bodies of the four cities, which will then become intermediate bodies in accordance with the regulations.

On the request of the Ministry of Economic Affairs, Kansen voor West was asked to take charge of the Article 7 input for sustainable urban development. The rationale for the selection of the 4 cities was that the ERDF budget for the new period is 40% lower in comparison to the 2007-2013 period. Consequently, a tight geographical focus was needed and the decision was made to concentrate the funds on the four cities. Each of the four cities developed an ITI. About 25% of the Kansen voor West ERDF budget is to be allocated to the four cities (this is equal to about 10% of the national allocation of ERDF). Additionally 25 mill Euro has been earmarked for Social inclusion by the ESF fund that is managed by the Ministry of Social Affairs at national level. The city of Rotterdam is host to the Management Authority itself, which facilitates delegation.

The ITIs will address the following EU2020 thematic objectives (TO): Employment (TO8): demand oriented labour potential (ERDF) and the unemployed (ESF); Social inclusion (TO9): by redevelopment of work/business locations (ERDF), and additionally Innovation (TO1) (ERDF) and Low carbon economy (TO4) (ERDF).

In December 2014 the operational programme was approved by the EC.

Case 3: Integrated Territorial Investments (ITI) in Poland: Warsaw and the city of Wrocław

National context

In Poland, ITI was chosen as the tool for implementing Article 7, a decision that was made quite early. The approach from the national level was to require the regions to take a Functional Urban Areas (FUA) approach for each of the 17 regional capitals and their associated municipalities. These 17 ITIs will be financed by more than the minimum 5% of ERDF and ESF in the Regional Operational Programmes (ROPs). There will also be support for these same 17 ITIs from the national level. In addition, there are seven examples of sub-regional level ITIs.

Example #1: Warsaw

The application of ITI combined with a national framework in support of the city region has triggered an informal and voluntary cooperation of 40 municipalities within the Warsaw Functional urban Area. This area includes 2 656 917 inhabitants, 50,3% of the regional population.

Figure 1 Warsaw and its suburban communes



In terms of the governance model, there is a combination of initiatives from below and from above. There is free choice concerning membership of the ITI. However, there is a strong incentive to participate as only by being a member of the ITI can a municipality access the EU funds. Priority will be given to projects within ITI in relation to similar projects proposed by municipalities outside ITI. The legal model of cooperation will be via agreements between municipalities.

A crucial aspect in this model is the leadership of the core city as negotiator vis-a-vis the ministry and the management authority of the Regional Operational Programme, as well as in the management of the ITI. A principle of cost sharing will be implemented; management costs will be financed by OP 'Technical Assistance', while non-qualifying costs will be shared following the number of inhabitants, local co-financing by municipality proposing a project. Except for infrastructure, there will be cooperation with the private sector and NGO's.

Example #2: ITI in the city of Wrocław

Article 7 will be implemented in the Wrocław Functional Urban Area (FUA) through an ITI comprising 15 local government units: 2 cities, 6 urban-rural communes and 7 rural communes. The area is home to 30 % of inhabitants of the Lower Silesia region. The centre of the FUA is Wrocław City, the capital of Lower Silesia, the regional centre of business and science.

The Agreement and ITI structure

The institutional form of the partnership was officially established in July 2013 when 14 local government units signed the agreement with the purpose to implement an ITI for the Wrocław FUA. Two months later, in September 2013, one more commune joined in the Wrocław ITI. Under the agreement four bodies were created:

1. *The Steering Committee*: an executive body, consisting of 15 representatives of the Wrocław ITI, mayors and prefects with the head, Wrocław's President. Its main tasks are making strategic decisions, including approving ITI Strategy and its changes; approving project selection criteria in cooperation with the Monitoring Committee of the ROP. The Steering Committee makes decisions on the basis of consensus through passing resolutions.
2. *The Presidium*: a second executive body, which consists of 8 representatives with a 12-months tenure. The head of the Presidium is Wrocław's President or his delegated Vice President. Decisions are made by majority of votes. Its main tasks are the preparation of resolutions and monitoring the ITI.
3. *The Board*: represented by social, scientific, business and public partners. Its competences include giving opinions on strategic ITI documents and the selection of projects' criteria.
4. *The Wrocław ITI Office*, situated in the Municipality of Wrocław under its organisational structure. The Office is mainly responsible for the preparation of the ITI Strategy and its changes and to assist the Steering Committee, the Presidium, and the Board; the organisation and implementation of the project selection procedure, monitoring and reporting, cooperation with national and regional institutions in the framework of ITI implementation, information and promotion.

The ITI Strategy

A joint strategy is being prepared, which is part of the Regional Operational Programme of the region. The Government requires ITI associations to be formed in the 17 regional capitals with the municipalities belonging to their functional urban areas. The Government provided lists of settlements of the FUA – at least half of the settlements should become part. The ‘ITI Strategy’ is a strategic document that indicates objectives, priorities and actions to be achieved in the frame of the ITI. The main goal of the Wroclaw ITI Functional Area (FA) is to foster high quality of life in the Wroclaw FA community by its spatial integration into a coherent social and economic structure. The document is structured on the basis of ministry / national guidelines. It consists of a diagnosis of the FUA, a description of priorities and actions, their coherence with regional, national and EU documents, a system of implementation with a budget and a list of strategic projects. At the moment the city is in the process of preparation of the final version of the Strategy. This includes intensive cooperation with JASPERS¹⁰ and with the Ministry of Infrastructure and Development. The plan is to finish it in June 2015.

The Wroclaw ITI FUA, as a part of the regional operational programme (ROP), will be implemented by the realisation of integrated projects in the framework of particular priority axes:

- ERDF: transport, business / entrepreneurship and innovation, low emission economy, environment and natural resources, ICT Technologies, social infrastructure, educational infrastructure, and
- 3 ESF: labour market, social inclusion, education

The combination of ESF and ERDF actions is relevant in the case of sustainable urban development. Apart from the investments supported by the ITI Strategy, complementary projects directed to the same area are going to be financed through the priority axes of operational programmes (especially from the national level) that do not participate in the financing of the Wroclaw ITI.

Case 4: Germany

As in the Dutch case, Germany has a long-standing and successful experience implementing the integrated approach to sustainable urban development, notably through their Soziale Stadt programme, over the last 15 years. In the new programming period, all potential tools for integrated sustainable urban development are included in the Partnership Agreement for Germany. Thus the Länder can choose those tools for Article 7, which they consider the most appropriate. The majority of operational programmes have been approved meanwhile. Only in some cases the negotiations between Länder and the EC were still ongoing at the time of writing this report.

¹⁰ JASPERS provides technical assistance on large infrastructure projects.

In the last programming period 8,1% of ERDF (€1.2 Bn) was dedicated to integrated urban development. For next period around 11% of ERDF is planned (€ 1.2 Bn). Nearly all Länder dedicate funding to integrated urban development, but only some Länder explicitly refer to Article 7 in their operational programmes (due to the special obligations connected to Article 7, notably the formal duty to delegate tasks to the urban level as intermediate bodies). In most cases the Länder decided to implement the urban dimension in the form of mixed priority axis - notably, thematic objectives 4, 6 and 9. Only 2 Länder will use ITI, namely: Baden-Württemberg and Schleswig-Holstein.

Case 5: Italy

In the new period, there is a dedicated chapter in Italy's Partnership Agreement for Article 7, presenting common strategic options for sustainable urban development and suggesting a dedicated urban axis as the main, but not sole, mechanism for implementation in regional programmes. So far only one region, Sicily, has expressed the intention to use ITI. At the time of writing this report, no ERDF operational programme had been approved yet [as at December 2014].

Italy has a tradition of integrated operations at regional programming level, which covers also urban projects. However, different regions have applied different formats and policies, and changes happened across planning periods. In the new period, there will be a dedicated national programme for the 14 largest cities (leaders of functional urban areas), which will be both Intermediate Bodies and actors of a common network for identifying common solutions at the project level. This represents a more focussed and unified approach across the country than in the past. Thematic fields will focus on application of the national agenda for smart cities and communities, energy saving initiatives, sustainable mobility projects and social issues / social inclusion, all considered in the unifying dimension of better, sustainable and inclusive services to citizens. The national programme will be designed together with the cities. Most regional programmes envisage urban development priorities / axis including also territorial competitiveness issues and, in most cases, providing for complementary investment in the same cities covered by the national programme along with the involvement of other medium size cities.

5. Key findings

This chapter brings together the key findings from this Study, including those from the five country case studies presented in the previous chapter and those coming out of the discussions held at the Study's seminar "Implementing Article 7", held in Rome on 10 September 2014¹¹. We have organised these findings under the following five headings:

5.1. Uptake and choice of implementation mechanism

The available evidence to this date indicates that most member states are choosing to implement Article 7 through Urban Axis and/or ITI. We identified great interest in the new instrument ITI, especially in Eastern European new member states.

Perceptions collected at the Study's seminar pointed to a degree of confusion on how to interpret the regulations provided by the European Commission. Some participants, for example, referred to the vagueness of the term "integrated approach" as stated in the regulations, which lends itself to many possible interpretations. In this regard, we identified different national and/or regional approaches; while some countries' approach is to match their existing regional or urban definitions and strategies to the new EU regulations and tools, others would expect clearer guidance from the European Commission on how to define the integrated approach and use the new tools to this end.

In terms of institutional arrangements to implement Article 7, our case studies show different types of these (see Table 3), some of which include multifaceted institutional designs combining more than one implementation mechanism (e.g. The Netherlands, France), and some including multi-fund approaches (e.g. Ile de France, The Randstad region and Poland). Poland, for instance, perhaps because of the significant amounts of ERDF at its disposal, has opted for a new system of structured institutional arrangement to implement ITI, with relatively high levels of delegation embedded in this structure. Specific findings on ITIs include an orientation towards large cities, with the exception of England and Hungary. In France and Poland, there is an explicit requirement to include the Functional Urban Areas (FUA) level in their ITI.

In terms of thematic fields covered by Article 7, our case studies (see Table 3) also reflect the general trend, discussed earlier, to focus on three specific EU 2020 Thematic Objectives (or similar themes), namely: TO 4 (Low carbon economy, in the Randstad region and Germany), TO 6 (Environmental protection and resource efficiency, in Italy and Germany) and TO 9 (Social inclusion and combating poverty, in all cases). Data on ITI shows that these are thematically broad in England and Poland, and narrower in France and Germany, which will target deprived urban areas.

¹¹ See annexes to this report for the seminar Agenda and List of Participants.

Table 3 Overview of key features of Article 7 in 5 case study countries			
	Main chosen mechanism	Key features	Thematic focus (EU 2020 Thematic objectives or similar)
FR	ITI and Urban Axis	<ul style="list-style-type: none"> Ties into new 'Contract de Ville' (integrated approach) FUA approach 10% ERDF & 1.8% to Art 7 Inter-municipal level: selection of projects 	TO 9 (Deprivation in urban areas)
NL	ITI and OP	<ul style="list-style-type: none"> Rotterdam = IB & MA Combines ESF and ERDF 25% of funds delegated to cities for ITI High level of delegation 	EU 2020 thematic objectives: TO 8 Employment TO 9 Social inclusion TO 1 Innovation TO 4 Low carbon economy
PL	ITI in 17 regional capitals	<ul style="list-style-type: none"> Compulsory FUA approach ROP's finance ITIs from ERDF & ESF¹² 7 sub-regional ITIs Delegation of selection of operations 	Broad
IT	Urban Axis	<ul style="list-style-type: none"> National programme for 14 largest cities (=IB's) Only 1 ITI (Sicily) 	TO 1,2,3 (Smart cities and communities) TO 4,6 (Energy savings) TO 7 (Sustainable mobility) TO 8-11 (Social inclusion)
DE	Mixed priority axis	<ul style="list-style-type: none"> 11% of ERDF for integrated urban development but only 1 Land refers explicitly to Article 7 ITI in only 2 Lander 	TO 4 Low carbon economy TO 6 Environment protection and resource efficiency TO 9 Social inclusion and poverty

5.2. Delegation and selection of operations

The question on delegation proved to be challenging, combining calls for greater delegation and caution on 'excessive' delegation. The term 'delophobia' was used to illustrate this contradiction: on the one hand, higher governance levels would be reluctant to delegate too much to lower levels, be it because of unwillingness to share power and/or by mistrust of local capacities. On the other hand, local governments may be wary of too much delegation in view of their perceived lack of capacity to deal with higher and more complex workloads, and/or given their lack of financial resources to undertake more responsibility.

The Netherlands is the case with the clearest approach of delegation to the local level for the implementation of Article 7, with other countries showing different degrees of willingness to delegate. In general, delegation will happen mostly at the level of selection of operations, such as in Germany or Poland. In England, all cities will have Intermediary Body (IB) status, having power over the selection of operations. London will have full delegation. There were calls amongst local level participants at the seminar for more delegation, claiming, "cities are prepared for it". Ultimately,

¹² ESF is organized through a parallel structure with its own intermediate body in the city.

delegation was considered to be not only a technical but also a political choice, as it involves not only the former type of considerations but also power relations and struggles. Some cities accept that they are not yet ready for more powers and prefer to work on selection in this first period with a possible view to taking on more for the next period.

5.3. Technical support and capacity building

Our study identified some initial efforts to provide training to officials dealing with the implementation of Article 7, and in particular with the new tool ITI. Our case studies show different kinds of support in this direction: in Italy, cities that will act as Intermediate Bodies will receive targeted support via the establishment of a special advisory body (Randstad). In Italy, a national committee will be established to support the 14 new Intermediate Bodies, which are the Metropolitan cities. In France, substantial training activity will be included in Technical Assistance budget to allow cities to prepare. In Wroclaw (Poland), as we have seen, comprehensive support for the delivery of their regional ITI is envisaged through the creation of a dedicated office.

5.4. Evaluation of the new tools

The issue of evaluation of the new tools and their objectives was discussed during the seminar. Participants highlighted the need to have clear indicators from the start of the process, which, they felt is not the case at the moment. There was a view that evaluation should be seen as a cycle, an iterative process, where not only results but also process is measured in order to learn for future rounds of programme implementation.

5.5. The role of URBACT

Overall, seminar participants called for more opportunities for discussion and exchange to enhance their understanding of the tools and on the challenges and opportunities to implement Article 7, on a similar vein to the seminar held by this Study.

In this regard, participants saw URBACT as an important learning platform. The URBACT networks and their use of as the URBACT method including setting up a local support group to develop a local action plan can build capacities at local level, specifically with regards to the new territorial tools. There were requests for URBACT to issue special calls for specific types of networks, i.e. for cities and managing authorities aiming to implement Article 7 through ITI, or using the the Urban Axis, or a mix of both. Training for politicians and city officials was also mentioned as a possible support that URBACT could provide (for example, creating an “Erasmus” type exchange programme on Article 7 for city officials.)

6. Conclusions and recommendations

Building on the past, looking at the future

In this Study, we have used case studies and stakeholder's perceptions and opinions to develop a shared understanding of the concepts and tools to implement the integrated approach to sustainable urban development, or 'Article 7', as it is known in the new programming period. We have documented general trends and concrete examples of the choices of mechanisms and thematic fields being applied in different countries. But beyond these facts and trends, our findings show the need to consider different traditions and starting points on the integrated approach, as well as differing "delegation cultures" in different countries, regions and cities across Europe. Each country, region and/or city is forging their own path towards integrated sustainable urban development; some building on past successes and traditions (e.g. France, The Netherlands, Germany), and others displaying innovation and creativity where there was no or little integration in the past – particularly, albeit not exclusively, in New Member states. In this sense, the different mechanisms provided in the new regulations represent a repertoire of means to combine and choose from.

However, in order to enable regional and local actors to make the most of these tools, there are clear needs emerging from our Study's findings, notably: the clarification of the possibilities contained in these tools, and different types of training and capacity building activities to foster the skills to deliver at regional and local level. This is all the more important in the current context of austerity and budget cuts, affecting most cities across Europe. As seminar participants' mentioned, it is crucial that policy makers at higher levels (EU, national) consider these (local) constraints when designing and planning new tools and their implementation.

The points made by seminar participants on evaluation are also very important ones. They called for more sophisticated or multi-faceted evaluation methods, which consider not only results but also processes. This ties in with one of the central findings of the study on Article 8 in the past programming period (quoted in chapter 2 in this report), which raised doubts about the continuity of integrated approaches after the end of EU support especially where national frameworks are weak. In addition, the report stated, *"(...) the success of integrated approaches should be analysed beyond physical challenges, considering other factors such as the cohesion within the local community (...), quality of life in the neighbourhood (...), and life chances of the residents."* These would be core objectives of thematic objective 9 on reducing poverty and social exclusion.

We would add to the above, to consider 'building institutional capacity and skills' amongst regional and local administrations that embed the integrated approach in their institutional cultures and modus operandi. Here, the role of technical assistance becomes paramount; as does the potential role that the URBACT programme can play, with 'capacity building' being the first specific objective in their new operational programme.

Learning how to delegate and/or to take more delegated responsibilities when and as required are key processes and results to evaluate, with a view to ensuring continuity of the integrated approach as contained in Article 7. However, as pointed out earlier, these are political decisions. More often than not the problem is not about not knowing *how* to delegate, but *not wanting* to pass power down the chain. One possible way of breaking this barrier is for mayors to learn that they can achieve better results from delegation by observing the successes that other cities have had by working more participatively.

The evaluation of delivery mechanisms could take the form of an iterative programme design and implementation cycle, whereby a given implementation mechanism is tested and monitored throughout the programme cycle. A medium to long-term indicator of success would be the transition towards more advanced co-decision cultures across European cities,.

Policy recommendations at different levels

Building on the above, we would like to conclude this report with a set of specific policy recommendations for relevant actors at different levels:

To the European Union institutions:

1. Continue to develop tool kits and training material that help to clarify what is meant by 'integrated' approach by drawing on concrete examples, and include material for elected members;
2. Strengthen the dissemination of the above toolkits and training material and target countries and cities where they most needed, in their local languages;
3. Tailor capacity building to specific needs at different stages (design, transition and implementation), notably in key areas such as: project management, strategy and action planning, working in partnership across departments and agencies, engaging communities, selection of operations, dealing with hurdles like procurement and state aids, avoiding conflicts of interests;
4. Be more flexibility about the interpretation of rules in specific contexts;
5. Clarify to implementation actors – at different points in the delivery system how to work with the new territorial tools, at a very practical level, particularly through the recently created UDN;
6. Take into account context of austerity affecting many local authorities across Europe and the need to maximise capacities amongst existing staff, e.g. training of existing officials, etc.;
7. Coordinate strategies and actions with relevant organisations notably URBACT, on the necessary support to managing authorities and cities to support the delivery of Article 7.

To managing authorities:

8. Open-up to delegating power proportionate to the capacity and wishes of the local authority.
9. Use programme technical assistance to build capacity at city/intermediate body level for example by producing guides, using expert support, holding regular meetings;
10. Exchange with other M.A.s to refresh their approaches by learning from peers on the new tools; and be active in the Urban Development Network (UDN);
11. Strengthen their monitoring and evaluation approach on Article 7, defining appropriate indicators in consultation with local stakeholders;
12. Adopt a learning or formative approach to evaluation by applying a cyclical and iterative approach that includes a process perspective; Involve the cities as participants in evaluation not as subjects;
13. Be proactive in organizing dissemination opportunities at regional/local level for training events and publications produced by the European Commission on Article 7, adapted to local needs;
14. Carry out consultation and discussion events with local stakeholders to take the pulse on how the implementation of Article 7 is going, and take action accordingly. Do not consult without feedback so as to retain trust by consulted stakeholders. Feed back into the process;
15. Draw on support from TAIEX REGIO the peer to peer support for Managing Authorities and Intermediate bodies.

To local authorities:

16. Improve partnership working with private sector players and civil society organisations
17. Refresh their strategies to meet the specific new aims and requirements of Article 7 and draw on available guidance;
18. Draw up very sharp and focused action plans with a strong results focus; where possible using the URBACT method;
19. Improve project management skills and anticipate blockages so that plans are not derailed by delays (e.g. in the field of public procurement);
20. Maintain a participative approach during implementation;
21. Monitor progress using relevant indicators that measure the added value of integrated approaches;
22. Exchange with other cities to learn from peers on the new tools and be active inside the Urban Development Network.

To the URBACT programme:

23. **Develop a new generation of capacity building tools** appropriate to and aimed at cities in URBACT networks that are implementing their Action plans (whether as part of Article 7 or more widely);
24. **Coordinate with the European Commission** to ensure that URBACT and the UDN are complementary and avoid overlaps;
25. **Continue to create opportunities for exchange between cities and managing authorities** in the new implementation networks;

26. **Design and offer specific training** for city officials / elected members in URBACT networks on Article 7, such as during the summer universities or through short courses during the year;
27. **In larger meetings focus on small workshops on specific topics** related to Article 7, that favour interaction and individual participation of city representatives.

References and useful resources

Article 7 of the Specific Provisions for the ERDF

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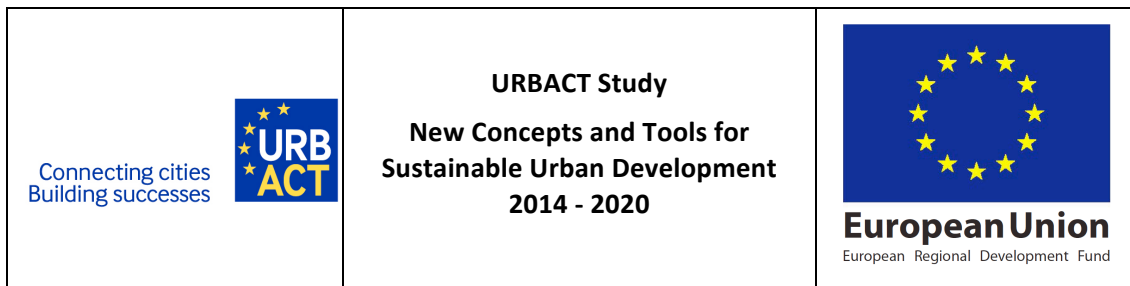
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Working seminar:
**“The Integrated Approach to Sustainable Urban Development in 2014-2020:
Implementing Article 7”**

Date: Thursday 11 September 2014, 09:00 – 16:30

Place: Ministry of Infrastructure and Transport
Parlamentino Room - IVth Floor, via Nomentana, 2, 00161 Rome (Italy)

Seminar programme

Background

This is the second out of three seminars organized in the framework of the URBACT study on the new concepts and tools for sustainable urban development 2014 – 2020. The study is led by Ms Darinka Czischke, independent consultant, in cooperation with Fondazione Giacomo Brodolini.

The main aims of the study are to:

1. Develop a shared understanding of the concepts and tools for sustainable and integrated urban development among the different stakeholders concerned by these concepts and tools for the next programming period;
2. Issue recommendations so as to how these stakeholders may use these tools to foster a sustainable urban development.
3. To issue useful recommendations for the next programme - in the case of this seminar, more especially focusing on activities targeting Article 7 cities.

The study is structured around 3 main entries:

- Participatory approach
- Integrated approach
- Urban-rural linkages

Central elements of this study are 3 working seminars during which invited experts and practitioners (EU, national, regional and city levels) will confront policy approaches, good practices, etc. to issue recommendations. The second seminar will address the **integrated approach to sustainable urban development**.

Article 7 of the ERDF regulations 2014-2020 establishes that

“The ERDF shall support, within operational programmes, sustainable urban development through strategies that set out integrated actions to tackle the economic, environmental, climate, demographic and social challenges affecting urban areas, while taking into account the need to promote urban- rural linkages.”

At least 5% of the ERDF resources allocated at national level under the Investment for growth and jobs goal shall be allocated to integrated actions for sustainable urban development. There are three ways in which sustainable urban development can be undertaken, namely: through a specific operational programme, or through a specific priority axis, or through a new tool, “Integrated Territorial Investments” (ITI).

Integrated Territorial Investment (ITI) is a tool to implement territorial strategies in an integrated way. ITI allows Member States to implement Operational Programmes in a cross-cutting way and to draw on funding from several priority axes of one or more Operational Programmes to ensure the implementation of an integrated strategy for a specific territory. In view of the decision of some Member States to implement ITI, it will be useful to discuss a number of questions related to its implementation by managing authorities and city administrations.

Objectives of this seminar

The seminar will have four main objectives:



1. Deepen the understanding of Article 7 by exchanging on Member states’ proposals and approaches in their respective partnership agreements, including a discussion on opportunities and challenges.
2. Reflect on good practice and lessons learned from a range of past integrated approaches to sustainable urban development across European cities.
3. Issue recommendations on how to maximize the potential of the different ways to implement Article 7 in the current programming period.
4. Discuss in which ways the URBACT programme may support cities to implement Art 7.

A **discussion paper** about the seminar topic, prepared by the project team, will be circulated amongst confirmed participants in advance. This paper will present the background and key concepts, tools and questions to be addressed at the working seminar. Participants are expected to read the paper in advance in order to optimize their input and learning at the seminar.

Agenda

09:00	<p>Welcome</p> <p>Emmanuel Moulin, Head of the URBACT Secretariat</p>
09:15	<p>Introduction and setting the scene</p> <p>The study: New concepts and tools to sustainable urban development in 2014-2020: Towards a common understanding (10')</p> <p>Darinka Czischke, Project manager</p>
	<p>The integrated approach to sustainable urban development and Article 7: New opportunities and challenges</p> <p><i>(20' + 5' Q&A from participants)</i></p> <p>Peter Ramsden and Ivan Tosics, URBACT Thematic Pole Managers</p>
	<p>Integrated Territorial Investments: Different scenarios and implementation issues</p> <p><i>(15' + 5' Q&A from participants)</i></p> <p>Martijn De Bruijn, DG Regional and Urban Policy, and Piotr Zuber, expert</p>
	<p>Open discussion with all participants (20')</p>
10:30	<p>Coffee break am</p>
11:00	<p>Roundtable discussion:</p> <p>Three ways to implement Article 7: Examples from across the EU</p> <p><i>Representatives from national governments, management authorities and cities from different member states will discuss their plans to implement Article 7 using Priority Axis, Operational Programme or Integrated Territorial Investments (ITI).</i></p>
	<p>Cases and panellists:</p> <p>Germany</p> <ul style="list-style-type: none"> • Tilman Buchholz, Federal Environment Ministry. <p>Randstad region, The Netherlands</p> <ul style="list-style-type: none"> • Adri Hartkoorn, City of Rotterdam • Pedro Campos Ponce, Ministry of the Interior and Kingdom Relations. <p>Italy</p> <ul style="list-style-type: none"> • Paola Casavola, DPS • Massimo Allulli, ANCI CITTALIA
	<p>Wroclaw, Lower Silesia, Poland</p> <ul style="list-style-type: none"> • Justyna Wiczorkiewicz-Molendo, Municipality of Wroclaw. • Joanna Zarzecka-Mazur, Ministry of Infrastructure and Development.

	<p>France</p> <ul style="list-style-type: none"> Valerie Lapenne, General commission for territorial equality - CGET. <p>Ile de France region</p> <ul style="list-style-type: none"> Sabrina Abdi, Regional Council Ile de France. <p>Nord-Pas-de-Calais</p> <ul style="list-style-type: none"> Béatrice Florke, Development and projects at the Direction Europe, Nord-Pas-de-Calais. Simon Jodogne, Lille Métropole
	<i>Open discussion with all participants</i>
12:30	Lunch
13:30	<p>Working Group session</p> <p>Break up in three groups</p> <p>Implementing Article 7: Key challenges and responses</p> <ol style="list-style-type: none"> What level and content of delegation is foreseen in my region/city? How will urban authorities perform the delegated tasks, for example, what are going to be the selection mechanisms in my region/city? What are the key factors for successful implementation of these tools, on the basis of your city’s past experience with the integrated approach?
14:30	Short comfort break (10')
	<p>Working Group (continued)</p> <p>What support is needed to implement Article 7?</p> <ol style="list-style-type: none"> What types of support do recipients need to make a good implementation of Article 7? How should Member States and/or Managing Authorities support the cities in these efforts? What complementary support could URBACT provide, on the basis of transnational exchange and capacity building activities?
15:30	<p>Second plenary session</p> <p>Conclusions from the working groups:</p> <ul style="list-style-type: none"> Implementing Article 7: Key challenges and responses What support is needed to implement Article 7
16:15	<p>First conclusions and next steps</p> <p>Darinka Czischke and URBACT Secretariat</p>
16:30	End of seminar (followed by project visit)

	<p>URBACT Study</p> <p>New Concepts and Tools for Sustainable Urban Development</p> <p>2014 - 2020</p>	 European Union <small>European Regional Development Fund</small>
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Working seminar:
**“The Integrated Approach to Sustainable Urban Development in 2014-2020:
Implementing Article 7”**

List of seminar participants (05/09/14)

	Surname	Name	Type	Position/Organization	Country	Role in the event
1	Abdi	Sabrina	City	Project manager ERDF ESF - Regional Council Ile de France	France	SPEAKER
2	Allulli	Massimo	City	Researcher CITTALIA	Italy	SPEAKER
3	Aurora	Laura	City	Ufficio Europa – Direzione Esecutiva	Italy	PARTICIPANT
4	Bäckman	Anna	Member States	Swedish Agency for Economic and Regional Growth (MA for the SE ERDF)	Sweden	PARTICIPANT
5	Barbato	Raffaele	Organizer	Project Officer, URBACT Secretariat	France	ORGANIZER
6	Blancuzzi	Emanuela	City	Director of the Strategic Planning and Programming Service for the Autonomous Region of Friuli Venezia Giulia	Italy	SPEAKER
7	Broad	Lloyd	City	Head of European and International Affairs, Birmingham City Council	UK	PARTICIPANT
8	Bruncko	Ján	participant	responsible for Integrated Operational Programme (MA)	Slovakia	PARTICIPANT
9	Buchholz	Tilman	Member States	Federal Ministry of Transport, Building and Urban Development - Urban Development Policy Unit	Germany	PARTICIPANT
10	Cakulus	Sandis	participant	Deputy State Secretary responsible for Development Instruments - Ministry of Environmental Protection and Regional Development	Latvia	PARTICIPANT
11	Campos Ponce	Pedro	Member States	Senior Policy Advisor Ministry of the Interior and Kingdom Relations Directorate-General for Housing, Building and Integration	The Netherlands	SPEAKER
12	Capuis	Roberta	City	Architect - Municipality of	Italy	PARTICIPANT

	Surname	Name	Type	Position/Organization	Country	Role in the event
				Venice		
13	Casavola	Paola	panelist	DPS	Italy	SPEAKER
14	Chicoş	Irina	Member States	Counselor, URBACT National Coordinator, General Directorate for European Programmes, Ministry of Regional Development and Public Administration	Romania	PARTICIPANT
15	Colard	Alain	Member States	EU Territorial Cooperation & bilateral relations with GD of Luxemburg	Belgium	PARTICIPANT
16	Conway	Alex	City	European Programmes Director, European Programmes Management Unit, Greater London Authority	UK	PARTICIPANT
17	Czischke	Darinka	Speaker	Project coordinator, DCConsulting / FGB	United Kingdom	SPEAKER
18	de Bruijn	Martijn	Speaker	DG Regio and Urban, European Commission	Belgium	SPEAKER
19	Downey	Colm	Member States	Ministry of Environment	Ireland	PARTICIPANT
20	Ethuin	C�line	Organizer	Financial officer at URBACT Secretariat	France	ORGANIZER
21	Florke	B�atrice	Region	Head of the unit - Development and projects at the Direction Europe	France	SPEAKER
22	Gidl�f	Helena	Member States	Senior Advisor - Growth and Community Development Division, Swedish Association of Local Authorities and Regions	Sweden	PARTICIPANT
23	Hartkoorn	Adri	City	Secretary of the Management Autoriteit Kansen voor West p/a Stadsontwikkeling, afdeling SI&F	The Netherlands	SPEAKER
24	Horansk�	Erika	Member States	Head of Unit Urban Development, Ministry of Transport, Construction and Regional Development	Slovakia	PARTICIPANT
25	Houk	Melody	Organizer	Projects and Capitalisation Manager, URBACT Secretariat	France	ORGANIZER
26	Jakubiak	Marta	City	Deputy Director, Office Of The Capital City Warsaw, Office of Aid and Social Projects (PS)	Poland	PARTICIPANT
27	Javora	Anka	Member States	Ministry of Construction and Physical Planning	Croatia	PARTICIPANT
28	Jitaru	Costel	Member States	Regional Operational Programme Managing Authority – Councillor	Romania	PARTICIPANT
29	Jodogne	Simon	City	Head of Unit, Europe, Lille M�tropole	France	SPEAKER
30	Karlsson	Daniel	Member States	Head of Unit Division for Regional Growth Ministry of Enterprise, Energy and Communications	Sweden	PARTICIPANT

	Surname	Name	Type	Position/Organization	Country	Role in the event
31	Konstantopoulou	Mathilde	Member States	Ministry for Development & Competitiveness	Greece	PARTICIPANT
32	Koppitz	David	Member States	Czech Ministry for Regional Development - Regional Policy Department	Czech Republic	PARTICIPANT
33	Kravale	Iruma	Member States	Director of Development Instruments Department Ministry of Environmental Protection and Regional Development	Latvia	PARTICIPANT
34	Krieva	Ilze	Member States	Deputy Director of Development Instruments Department Ministry of Environmental Protection and Regional Development	Latvia	PARTICIPANT
35	Lapenne	Valerie	Member States	Managing Authority - SG-CIV	France	SPEAKER
36	Leonessi	Francesca	Organizer	Project Officer, FGB	Italy	ORGANIZER
37	Littera	Ľuboš	participant	responsible for cohesion policy, Government Office of the Slovak Republic (CCU)	Slovakia	PARTICIPANT
38	Markl	Jiri	URBACT Monitoring Committee	Czech Ministry for Regional Development - Regional Policy Department	Czech Republic	PARTICIPANT
39	Merolla	Alberto	Organizer	Coordinator, FGB	Italy	ORGANIZER
40	Moulin	Emmanuel	Organizer	Head of Secretariat, URBACT Secretariat	France	SPEAKER
41	Pascariu	Simona	Facilitator	Senior expert URBAPLAN / FGB	Romania	FACILITATOR
42	Patti	Daniela	City	Municipality od Rome	Italy	PARTICIPANT
43	Picquart	Thierry	Organizer	Administrative Manager, URBACT Secretariat	France	ORGANIZER
44	Pilviste	Ingel	URBACT Monitoring Committee	Ministry of the Interior	Estonia	PARTICIPANT
45	Prat	Anna	City	Turin Municipality	Italy	PARTICIPANT
46	Ramsden	Peter	Speaker	Thematic Pole Manager, URBACT	UK	SPEAKER
47	Ricov	Jelena	City	Head of the Office, Office for EU Programmes and Projects, City of Zagreb	Croatia	PARTICIPANT
48	Rogelj	Aša	Member States	Ministry of Infrastructure and Spatial Planning	Slovenia	PARTICIPANT
49	Sáinz Bengoechea	Anselmo		Technical Advisor - Cohesion Fund and European territorial cooperation - General Direction of Community Funds	Spain	PARTICIPANT
50	Sepp	Eedi	Member States	Ministry of the Interior	Estonia	PARTICIPANT
51	Sergejeva	Kristine	?	Communications Manager - Urbact Secretariat Paris	France	PARTICIPANT

	Surname	Name	Type	Position/Organization	Country	Role in the event
52	Stephen	Sallyann	Member States	ERDF Communications and International Team, European Policies and Programmes Division, Department for Communities and Local Government	England	PARTICIPANT
53	Szegvári	Péter	City	Chief Advisor to the Lord Mayor of Budapest	Budapest, Hungary	PARTICIPANT
54	Tosics	Ivan	Speaker	Thematic Pole Manager, URBACT	Hungary	SPEAKER
55	Trinca	Ionut	Member States	Regional Operational Programme Managing Authority – Councillor	Romania	PARTICIPANT
56	Voutilainen	Olli	Member States	Ministry of Employment and the Economy	Finland	PARTICIPANT
57	Wieczorkiewicz-Molendo	Justyna	City	Deputy Division Director - Funds Management Division Infrastructure and Economy Department Municipality of Wrocław	Poland	SPEAKER
58	Wieland	Fiona	Organizer	DG Regio and Urban	Belgium	PARTICIPANT
59	Wilson	Celeste	Member States	European Territorial Cooperation, European Structural Funds, The Scottish Government	Scotland	PARTICIPANT
60	Zarzecka-Mazur	Joanna	Member States	Department of Regional Policy and Territorial Instruments, Coordination Department of Strategy and Development Policies, Ministry of Infrastructure and Development	Poland	SPEAKER
61	Zuber	Piotr	Speaker	Consultant	Poland	SPEAKER