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REPORT

on European Urban Agenda and its Future in Cohesion Policy
(2010/2158(INI))

Committee on Regional Development

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MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

on European Urban Agenda and its Future in Cohesion Policy (2010/2158(INI))

The European Parliament,

- having regard to the Treaty on the Functioning of the European Union, and in particular Title XVIII thereof,
- having regard to Council Regulation (EC) No 1083/2006 of 11 July 2006 laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund¹,
- having regard to Regulation (EC) No 1080/2006 of the European Parliament and of the Council of 5 July 2006 on the European Regional Development Fund²,
- having regard to Council Decision (EC) No 702/2006 of 6 October 2006 on Community strategic guidelines on cohesion³,
- having regard to Regulation (EC) No 397/2009 of the European Parliament and of the Council of 6 May 2009 amending Regulation (EC) No 1080/2006 on the European Regional Development Fund as regards the eligibility of energy efficiency and renewable energy investments in housing⁴,
- having regard to Regulation (EU) No 1233/2010 of the European Parliament and of the Council of 15 December 2010 amending Regulation (EC) No 663/2009 establishing a programme to aid economic recovery by granting Community financial assistance to projects in the field of energy⁵,
- having regard to its resolution of 21 February 2008 on the follow-up of the Territorial Agenda and the Leipzig Charter: Towards a European Action Programme for Spatial Development and Territorial Cohesion⁶,
- having regard to its resolution of 21 October 2008 on governance and partnership at national and regional levels and a basis for projects in the sphere of regional policy⁷,
- having regard to its resolution of 24 March 2009 on the urban dimension of cohesion policy in the new programming period⁸,
- having regard to its resolution of 24 March 2009 on the Green Paper on Territorial

¹ OJ L 210, 31.7.2006, p.25.

² OJ L 210, 31.7.2006, p. 1-11.

³ OJ L 291, 21.10.2006, p.11.

⁴ OJ L 126, 21.5.2009, p.3.

⁵ OJ L 346, 30.12.2010, p.5.

⁶ OJ C 184 E, 6.8.2009, p.95.

⁷ OJ C 15 E, 21.1.2010, p.10.

⁸ OJ C 117 E, 06.5.2010, p.73.

Cohesion and the state of the debate on the future reform of cohesion policy¹,

- having regard to its resolution of 20 May 2010 on the contribution of the cohesion policy to the achievement of Lisbon and the EU2020 objectives²,
- having regard to its resolution of 7 October 2010 on EU cohesion and regional policy after 2013³,
- having regard to the ad hoc note published by the European Parliament entitled "Follow-up of the Territorial Agenda and the Leipzig Charter: towards a European Action Programme for spatial development and territorial cohesion",
- having regard to the Commission's Communication of 3 March 2010 on "EUROPE 2020 – A strategy for smart, sustainable and inclusive growth" (COM(2010)2020),
- having regard to the Commission's fifth report on 'Economic, social and territorial cohesion: the future of cohesion policy', of 9 November 2010,
- having regard to the Commission's Communication of 9 November 2010 on the "Conclusions of the fifth report on economic, social and territorial cohesion: the future of cohesion policy" (COM(2010)0642),
- having regard to the Commission's Synthesis report of April 2010 on the "Ex post evaluation of Cohesion Policy programmes 2000-06 co-financed by the ERDF (Objective 1&2)",
- having regard to the Commission's report of June 2010 on the "Ex post evaluation of Cohesion Policy programmes 2000-06: the URBAN Community Initiative",
- having regard to the opinion of the European Economic and Social Committee (EESC) on "The need to apply an integrated approach to urban regeneration" of 26 May 2010⁴,
- having regard to the opinion of the Committee of the Regions on "The role of urban regeneration in the future of urban development in Europe" of 9-10 June 2010⁵,
- having regard to the Territorial Agenda of the EU – Towards a More Competitive and Sustainable Europe of Diverse Regions ("the Territorial Agenda") and the Leipzig Charter on Sustainable European Cities ("the Leipzig Charter"), which were both adopted at the Informal Council of Ministers responsible for spatial planning and urban development held in Leipzig on 24-25 May 2007,
- having regard to the "Toledo Declaration" adopted at the Informal Council of Ministers on urban development held in Toledo on 22 June 2010,

¹ OJ C 117 E, 06.5.2010, p.65.

² Texts adopted, P7_TA(2010)0191.

³ Texts adopted, P7_TA(2010)0356.

⁴ OJ C 21, 21.1.2011, p.1.

⁵ OJ C 267, 1.10.2010, p.25.

- having regard to the Position of the Directors General for Urban Development on the Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee, the Committee of the Regions and the European Investment Bank: Conclusions of the fifth report on economic, social and territorial cohesion: the future of cohesion policy (COM(2010) 642/3),
 - having regard to the Conclusions of the European Summit of Local Governments held in Barcelona, 22-24 February 2010, entitled ‘Local governments, the protagonist in the new Europe’,
 - having regard to the Covenant of Mayors, as initiated and supported by the European Commission,
 - having regard to the independent report, prepared at the request of the Commission, entitled "An Agenda for a Reformed Cohesion Policy" (Fabrizio Barca report) (2009).
 - having regard to Rule 48 of its Rules of Procedure,
 - having regard to the report of the Committee on Regional Development and the opinion of the Committee on Transport and Tourism (A7-0218/2011),
- A. whereas the EU can be characterised by its polycentric development and variety of different-sized urban areas and cities, which have heterogenic competences and resources; expresses the view that it would be problematic to adopt a common definition of "urban areas" and of the term ‘urban’ in general, purely on a statistical basis, as it is difficult to bring under the same umbrella the diversity of situations in Member States and regions, and hence takes the view that any obligatory definition and designation of urban areas should be left to Member States, in accordance with the principle of subsidiarity, based on European common indicators; whereas a look should be taken into how a functional approach can lead to a standard definition of "urban" and thus create the basis for a clear statutory definition of the urban dimension of Union policies; and whereas it would be useful, especially in the context of the Cohesion Policy, to have a functionally based definition of the urban dimension,
- B. whereas the EU contributes through its policies to the sustainable development of urban areas, and whereas it should be borne in mind that, in addition to national urban policies under the principle of subsidiarity, a European urban policy should be defined,
- C. whereas cities contribute actively to the formulation of EU policies and play an important role in the successful implementation of the EU2020 Strategy; and whereas failing to take into account the urban dimension of EU policies, and especially that of cohesion policy, would jeopardise the achievement of the EU2020 goals,
- D. whereas cities possess unique architectural and cultural potential, as well as considerable powers of social integration, and whereas they contribute to the social balance by preserving cultural diversity and maintaining a permanent link between the centre and outlying areas,
- E. whereas, building on the experience of the URBAN initiatives, urban actions have been

integrated ('mainstreamed') into the regulatory framework for the Convergence and Regional competitiveness and employment objectives in the 2007-2013 programming period; whereas this mainstreaming has clearly expanded the funding available for cities; whereas clearly defined urban development objectives should be identified within the operational programmes to help concentrate resources,

- F. whereas subsidiarity in its strengthened and widened form, as defined in the TFEU, as well as multi-level governance and a better-defined partnership principle, are essential elements for the correct implementation of all EU policies, and whereas engagement of the resources and competences of local and regional authorities should be reinforced accordingly,
- G. whereas the economic crisis of the last few years has heightened disparities and social exclusion in vast peripheral metropolitan areas; whereas, in the face of the crisis, local authorities must be in a position to implement practical measures to combat poverty and support social cohesion and employment,
- H. whereas a policy of development poles based on stimulating economic activity in the cities has on many occasions failed to generate sufficient pull and has therefore had a limited impact on the surrounding area and has not contributed to integrated development,
- I. whereas in a very few districts of cities, regardless of their wealth or economic strength, there may be specific problems such as extreme social inequality, poverty, marginalisation and high unemployment which cohesion policy support can alleviate or eliminate,
- J. whereas simplification of policy implementation, including that of control and auditing mechanisms, helps improve efficiency, reduce error rates, make the policy architecture more user-friendly and increase visibility; and whereas simplification efforts should continue and be accompanied by the simplification of national and regional procedures so that representatives of urban areas can better orient and manage the utilisation of European funds,

Context of the Urban Dimension

1. Notes that the European Urban Agenda comprises on the one hand the urban dimension of EU policies, in particular cohesion policy, and on the other hand the intergovernmental strand of European-level efforts to coordinate the urban policies of Member States, the latter being implemented through informal ministerial meetings with coordination by successive Council Presidencies and the active contribution of the Commission; takes the view in this context that local governments should be better informed of, and more strongly involved in, the activities of the intergovernmental strand; recommends closer coordination between the two levels and closer involvement of local government; stresses the need to improve coordination of the decisions and actions of administrative authorities at both European and national level;
2. Notes the approval of the Toledo Declaration and the Toledo Reference Document on urban regeneration; agrees with the need for more continuity and coordination in moving towards a joint working programme or 'European Urban Agenda'; welcomes the fact that ministers underlined the need to strengthen cooperation and coordination with the

European Parliament, as well as the aim of strengthening the urban dimension in cohesion policy and promoting sustainable urban development and integrated approaches by reinforcing and developing instruments to implement the Leipzig Charter at all levels; congratulates the Member States and the Commission on their efforts to continue the Marseille process and implement a reference framework for sustainable European cities; follows with interest the launch of the test phase of the reference framework; regrets, however, that cities are not sufficiently involved in these processes; asks the Commission and Member States, therefore, to ensure better flow of information about this process to non-participating cities and to keep Parliament informed of further developments;

3. Highlights the fact that, further to the significant contribution of cohesion policy interventions to the development of urban areas, a range of other EU policies (such as environment, transport and energy) and programmes have a strong impact on urban development; stresses the need for a better understanding of the territorial impact of policies and calls for the Urban Agenda in EU policies to be enhanced; reiterates its call on the Commission to proceed with a territorial impact assessment of sectoral policies, and to extend the existing impact assessment mechanisms; welcomes in this context the ideas outlined in the fifth report on economic, social and territorial cohesion and the work carried out by ESPON;

Local Needs and/vs. European Priorities

4. Highlights the fact that it is to a great extent urban areas that translate European policies into on-the-ground implementation; stresses that urban areas, which contain 73 % of Europe's population, generate around 80 % of the GDP and consume up to 70 % of the energy in the Union and are the major centres of innovation, knowledge and culture, thanks inter alia to the presence of SMEs, and therefore significantly contribute to economic growth; points out that only cities with high-quality services and adequate infrastructure can attract and promote forward-looking activities with high added value; notes that, on the other hand, they also bear the costs of economic productivity (urban sprawl, concentration, congestion, pollution, land use, climate change, energy insecurity, housing crisis, spatial segregation, crime, migration etc.) and are affected by major social imbalances (high unemployment, social insecurity and exclusion, social polarisation etc.) which put their role as 'motors of growth' at risk; stresses that not only economic, but also social and ecological, developments in urban areas have a great impact on the surrounding areas, and takes the view that the urban agenda must seek to develop sustainable, smart, inclusive investments so as to strengthen the role of cities; considers therefore that there is a clear justification for common engagement on the urban areas of the EU with a view to reducing the across-the-board effects of growth and development and, at the same time, tackling issues relating to environmental sustainability and social cohesion;
5. Points out that urban transport services are covered by the subsidiarity principle; emphasises, nevertheless, that European cooperation, coordination and funding would enable local authorities to meet the challenges they are facing, particularly in relation to transport;
6. Believes that maximising the contribution of urban areas to the economic growth of the EU while sustaining or improving their parameters as 'good places to live in' is a shared

goal of European, national, regional and local levels of government; stresses that while this goal is widely shared, the specific measures to pursue it can vary from place to place; notes that as a consequence of historical development in the second half of the twentieth century, some regions and cities will generally need to follow a wider palette of priorities including that of convergence, and hence considers that sufficient flexibility must be ensured, allowing particular urban areas to find the solutions best suited to their needs, macro- and micro-environment and development context;

7. Recommends that the urban dimension of Cohesion Policy, taking as a guideline the strategic concept of serving smart, sustainable, inclusive growth, should focus on a threefold objective: first, to help urban areas develop their basic physical infrastructure as a precondition for growth in order fully to exploit their potential contribution to economic growth in Europe, diversification of the economic base and energy and environmental sustainability, in particular with a view to maintaining and improving air quality in urban centres; without detriment to rivers; second, to help urban areas modernise their economic, social and environmental characteristics through smart investment in infrastructure and services based on technological advancements and closely related to specific regional, local and national requirements; thirdly, to regenerate urban areas by reclaiming industrial sites and contaminated land, while bearing in mind the need for links between urban and rural areas with a view to promoting inclusive development, in line with the Europe 2020 Strategy;
8. Points to the great potential for modernisation of infrastructure investment by means of intelligent technologies which would deal with persisting problems in city governance, energy, water supply and utilization management, transport, tourism, housing, education, health and social care, public safety, etc. through the concept of ‘smarter urban development’; believes that such information and communications technology (ICT) infrastructure investment can be seen as an explicit driver of economic growth and innovation-based economic activity, bringing together the elements of public and private investment that can aim to generate new entrepreneurship, sustainable jobs and smart growth, in line with the objectives of the Europe 2020 Strategy and, in particular, the Smart Cities innovation partnership;
9. Stresses that the application of intelligent systems can make a significant contribution to improving energy efficiency, safety and security in the public sector, and calls on the Commission and the Member States to ensure coordinated and effective deployment of intelligent systems in the Union as a whole, and particularly in urban areas; points out that cities, in particular, can make a major contribution towards combating climate change through, for instance, intelligent local public transport systems, energy refurbishment of buildings, and sustainable city-district planning which minimises distances to work, urban amenities etc.; in this context, supports the Civitas initiative and the Covenant of Mayors; stresses the importance of using available funding to implement programmes of action to promote the exploitation of local renewable energy potential, and calls on the Commission to ensure that both these initiatives are updated in the future;
10. Stresses the relevance of cohesion policy to promoting social innovation in urban areas, particularly in disadvantaged neighbourhoods, with a view to enhancing internal cohesion and human capital by means of an inclusive and participatory approach, whether in terms

of training and education (particularly for young people), access to micro-credits or promotion of the social economy;

Multi-level Governance and Partnership Principle

11. Reiterates its view that one of the weaknesses of the Lisbon Strategy was the lack of well-functioning multi-level governance and the insufficient involvement of regional and local authorities and civil society in the design, implementation, communication and evaluation stages of the strategy; stresses the need for an improved governance system for the EU2020 Strategy, with greater integration of stakeholders at all stages;
12. Calls on the Commission to ensure in the upcoming regulations that Member States formally involve the political leaders of key urban areas and associations of local and regional authorities in all stages of Cohesion Policy decision-making (strategic planning, definition of, and negotiation on, the proposed ‘development and investment partnership contracts’), for example through the creation of new types of partnership such as Territorial Pacts devised for each Member State; calls on the Commission to promote the training of urban and local administrations with a view to providing information on urban policy programmes and initiatives, and calls on the local authorities accordingly to draw up concrete programmes of action under their specific development strategies; is of the opinion that this is the one and only way to reflect local needs while preventing fragmentation of strategic goals and solutions;
13. Believes that the link between local action plans and regional/national mainstream programmes should be strengthened; supports the Commission’s proposal to reinforce the position of the local development approach in cohesion policy through ‘Leader’ type support groups and action plans;
14. Stresses that urban areas are not isolated elements within their regions and that their development must therefore be closely linked to the surrounding functional, suburban or rural areas; seeks further clarification on specific situations such as those of metropolitan areas, urban regions and agglomerations, where functions are closely interlinked; considers that multi-level governance, regional planning and the partnership principle are the most effective tools to prevent sectorialisation and fragmentation of development policies; recalls, however, that internal synergies are not always guaranteed; urges the Commission to call on the Member States specifically to promote contacts and the exchange of good practices on rural-urban strategies and to set out urban-rural dimensions in planning documents to ensure good rural-urban links;
15. Stresses the positive role that cross-border cooperation, transnational cooperation and URBACT initiative play in networking of cities, sharing best practice and generating innovative solutions; notes that cooperation between European cities is fully in line with Objective 3 (European territorial cooperation); considers that, during the period 2014-2020, the urban dimension of the European territorial cooperation objective should be enhanced; encourages the involvement of cities in inter-regional and cross-border cooperation networks; believes that supported networks should be linked to real development projects and calls on the Commission to enhance the platforms to allow of an experimental approach to urban regeneration and development; believes that experimentation could be useful in the context of the ESF in particular, where an overall

territorial strategy could complement an approach aimed at specific population groups;

16. Underlines that the process of ‘urban regeneration’ and ‘mainstreaming’ could lead to a new ‘urban alliance’ that brings together all stakeholders involved in the ‘city building’ process; the alliance would continue to be based on consensus and formally established with new forms of governance in which social and civic networks play an important part, the common objective being to upgrade, regenerate and reinvent the ‘existing city’, making optimal use of human, social, material, cultural and economic resources developed over the years and channelling them into the construction of cities run on efficient, innovative, intelligent, more sustainable and socially integrated lines;
17. Reiterates its call on the Commission to create an ‘Erasmus for local and regional elected representatives’ exchange programme in order to encourage the transfer of good practice in strategic local and urban development;

Sub-delegation of responsibilities

18. Stresses that local elected authorities have direct political accountability in terms of strategic decision-making and investing public resources; with that in mind, takes the view that the Member States should guarantee these authorities sufficient budgetary resources; considers, therefore, that in order to reach the goals of the Cohesion Policy and EU 2020 Strategy there must be obligatory involvement of local elected bodies in the strategic decision-making process, close involvement in drawing up operational programmes and broad use of the option of subdelegated responsibilities in the implementation and evaluation of the Cohesion Policy, without prejudice to the financial responsibility of the managing authorities and Member States; stresses that the priority of the local authorities is the welfare and quality of life of their citizens who, together with all stakeholders, must be involved in local development strategies;
19. Recommends that in the next programming period one of the following options be used in implementation of the urban dimension at national level: independent operational programmes managed by particular urban areas, joint operational programmes covering the urban areas of particular Member States, global grants or ring-fencing of urban measures and resources within specific regional operational programmes; recognises the importance of drawing up specific operational programmes in future for certain urban areas seeking to realise their development potential;
20. Cautions that, as the scale and predominance of urbanisation differs greatly across the EU, particularly where a region is predominantly rural and weakly urbanised, the share of resources attributed to urban actions, as with the general content and priorities of Operational Programmes, must be left to the discretion of programme designers operating on behalf of the region in question;

Integrated strategic planning

21. Advocates integrated strategic planning principles, as they can help local authorities move on from thinking in terms of 'individual projects' to more strategic intersectoral thinking in order to use their endogenous development potential; stresses the added value and innovative nature – particularly for disadvantaged neighbourhoods – of this ‘bottom-up’

approach, which by ensuring the participation of all local stakeholders would make it possible to respond better to the real needs and resources of the territory; at the same time, regrets the vague common definition which results only in formal application in some cases; urges the Commission to call on the Member States to ensure support for the development of local administrative capacities for the purposes of integrated strategic planning;

22. Considers that urban areas have an essential role to play in the implementation of macro-regional strategies and the establishment of functional geographical entities;
23. Invites the Commission to prepare a study comparing the practice to date of individual Member States regarding integrated strategic planning and, on the basis of the outcome of the study, to draw up specific EU guidelines for integrated urban development planning practice that also clarify the relations between these plans and other planning documents, as well as promoting efficient, legally regulated partnerships, including cross-border urban partnerships; calls on the Commission to make integrated urban planning legally binding if EU funds are used for co-financing projects; urges the local authorities of the Member States to initiate new public-private partnerships and innovative urban infrastructural development strategies so as to attract investment and stimulate business activity; calls for improved coordination between local and regional administrations, so as to facilitate new partnerships between urban and rural areas on the one hand and between small, medium and large cities on the other, with a view to ensuring balanced regional development; at the same time calls on the Commission to step up technical assistance towards improved integrated development planning, participatory policy-making and strategic urban development;
24. Welcomes the Commission's idea on the future Common Strategic Framework as outlined in the Conclusions of the 5th Cohesion Report, which has the potential to boost synergies between the funds, particularly with a view to rethinking links between urban areas and rural and peri-urban areas; stresses the European added value of the horizontal and integrated approach to the cohesion policy and, to that end, encourages further synergies with energy, environment and transport policies, which would be particularly helpful to urban and peri-urban areas, where major challenges exist in this connection;
25. Reiterates its belief that only if sufficient resources are available for specific urban actions will it be efficient to draw up integrated urban development plans, and therefore recommends that available resources be concentrated on specific actions; proposes the setting of a minimum level of aid intensity per programming period for deprived neighbourhoods of urban areas;

Comprehensive financial planning

26. Stresses that unavoidable austerity measures at all levels of government in the European Union put unprecedented stress on all types of public spending, including strategic investment in economic development; is of the opinion that in the interests of improved efficiency of investment, better coordination of all available public resources (European, national, regional, local, private) and more strategic allocation thereof is needed;
27. Advocates in this context comprehensive financial planning at local level as an indivisible

component of integrated development planning, and calls on each user of public resources, in line with the concept of result orientation, to sign up strictly to the ‘money for projects, instead of projects for money’ principle;

28. Underlines the European added value of cross-financing between the ERDF and the ESF in terms of flexibility for social inclusion projects and integrated urban development plans/strategies; calls on the Commission to create more flexible conditions for such cross-financing so as to encourage its use and so that these rules do not create obstacles when designing and implementing these plans/strategies; draws attention to the complementary nature of these funds; notes that, particularly in urban areas suffering from social exclusion or environmental pollution, ESF funding could be used to support joint local projects by cities, the third sector and the private sector for the prevention of exclusion; points out that the pooling of existing European funds could substantially increase available financing;
29. Believes that the dynamism of urban areas can be stimulated by effective synergies between the various European funding instruments, particularly as regards research and innovation;
30. Stresses the promising role of new financial engineering instruments based on the principles of ‘projects for money’ and ‘money for projects’ put in place during the current programming period; stresses the need to create scalable financial engineering instruments that can be viable and feasible for much smaller urban areas; calls on the Commission to evaluate the experience with these tools and adapt them where necessary in order to improve their competitive position on the financial market in comparison with common commercial products with a view to making them more user-friendly, practical, attractive and, hence, effective; believes that the interest rates of EIB financial tools should be made lower in comparison with commercial loans to this end; calls on the Member States, in view of the positive results obtained from the use of existing financial engineering instruments, to ensure at all times that the most effective use is made of the potential benefits of these financial instruments;
31. Believes that the 'Jessica' initiative in particular can achieve its greatest effectiveness when implemented at the level of cities, and observes with regret, therefore, that some Member States tend to centralise its implementation;
32. Calls on the Commission to ensure that financial flows between the European, national and sub-national level are organised in the most efficient and flexible way in the future; expresses its concern about the current low level of pre-financing of projects, and believes that in the future it should be ensured by means of regulations that Member States are more clearly obliged to use pre-financing for payments to public beneficiaries such as urban authorities;
33. Calls on the Commission to aim at the best possible harmonisation of rules for particular EU funds and programmes under which urban and local development projects are eligible for co-financing, in order to minimise red tape and potential errors in implementation;
34. Invites the Committee of the Regions to elaborate on ideas about how to better shape the urban dimension of future cohesion policy;

35. Instructs its President to forward this resolution to the Council, the Commission and the Committee of the Regions.

EXPLANATORY STATEMENT

The goals and substance of the report

The purpose of this report is to follow up the previous 'Urban dimension of cohesion policy in the new programming period' report while reflecting the latest developments of the European Urban Agenda. Since 2009, there have been several new inputs into the evolution of this issue and others are expected in the weeks to come. The report covers several aspects of the Urban dimension of Cohesion Policy that the Committee on Regional Development identifies as crucial or challenging for the future Cohesion Policy which is to become a fully-valued and effective policy towards the EU cities.

Definition issues

In Europe there are about 5.000 towns with populations between 5.000 and 50.000 inhabitants and almost 1.000 cities counting populations above 50.000. Europe can be characterized by territorial diversity and polycentric development, the relatively dense urban network contains few very large cities. In the European Union, only 7% of people live in cities of over 5 million as against 25% in the United States of America.¹ According to the State of European Cities Report² the strongest urban population growth rates were recorded in Spain, where some urban areas saw average annual increases of 2 percent or more. Cities in Ireland, Finland, and Greece also experienced some of the highest population growth rates in the EU. In contrast, many urban areas in Central and Eastern Europe witnessed an overall population decline in the same time frame. In virtually all cities, suburbs grow and if they decline they still tend to decline less than the core city.

Because of significant national differences, there is no international agreement on a common definition of urban that would be applicable to all countries or even to all countries within a region. Many attempts have been made to establish a common understanding of 'urban', there are definitions by the UN³, the World Bank⁴, the OECD⁵, and then again by individual countries. Most if not all of these definitions are based on statistical information concerning population size and density. Whilst large differences undoubtedly exist in the geographical distribution of the population of one country or another the European Institutions have until now relied on the approach adopted by Eurostat⁶ in its European regional and Urban statistics Reference guide which identifies four levels of spatial unit for which observations are collected. These vary from the central or "core" city, through the larger urban zones (LUZ), the "Kernel" for nine capital cities where the concept of the administrative city did not yield comparative spatial units and finally subcity districts (SCD). Although Eurostat definition is

¹ Commission of the European Communities, Green Paper on Territorial Cohesion: Turning territorial diversity into strength, Brussels, 2008.

² State of European Cities Report: Adding Value to the European Urban Audit, 2007 available at http://ec.europa.eu/regional_policy/sources/docgener/studies/pdf/urban/stateofcities_2007.pdf

³ http://unstats.un.org/unsd/demographic/sconcerns/densurb/Defintion_of%20Urban.pdf

⁴ http://siteresources.worldbank.org/DATASTATISTICS/Resources/table3_10.pdf

⁵ <http://stats.oecd.org/glossary/detail.asp?ID=6492>

⁶ http://epp.eurostat.ec.europa.eu/cache/ITY_OFFPUB/KS-RA-07-005/EN/KS-RA-07-005-EN.PDF

fully applicable for statistical purposes, keeping in mind the existing differences and various approaches it seems to be very difficult to establish a common, clear definition of 'urban' in the framework of cohesion policy and hence the definition issue should be left to Member states in accordance with the principle of subsidiarity.

Historical evolution

Historically the urban dimension was standing alongside the main volume of structural operations. Since the 1990 there have been Urban Pilot Projects. Since 1994, there was the URBAN Community initiative programme that allowed the promotion of integrated local development models.

Whereas during the previous programming period the various Urban initiatives were allocated specific funding, this is not the case during the 2007-2013 period. Following the adoption of the new regulations governing the structural funds, urban development policy has been integrated (mainstreamed) into the cohesion and regional competitiveness and employment objectives thus underlining the importance the Union attaches to this aspect of cohesion policy. Whilst drawing up the NSRFs and OPs, Member States were encouraged but not obliged, to integrate sustainable urban development as a strategic priority. However, given the importance of cities and urban agglomerations in the European economic fabric, not to do so would largely defeat any plans they may have had to be a dynamic player in the Union's efforts to achieve its goals.

The current revised regulations permit managing authorities to have recourse to a wide range of public/private partnerships in the management of funds earmarked for urban development. Thus the structural funds may finance an operation of financial engineering such as venture capital funds, guarantee funds or loan funds. The European Commission and the EIB have developed three financial instruments namely, JEREMIE¹, JASPERS² and JESSICA³. JESSICA (The Joint European Support for Sustainable Investment in City Areas) represents the greatest interest for urban development. It is aimed at achieving a leverage effect with the financial resources available. The recovered funds must be reinvested in urban development or reallocated to the managing authority for other urban projects. In fact Jessica is at present still in the early stages.

Background of the subject

According to the European Commission statistics⁴ some €21.1 billion has been earmarked for urban development between 2007 and 2013, representing 6.1% of the total EU cohesion policy budget. Of this, €3.4 billion is targeted at the rehabilitation of industrial sites and contaminated land areas, €9.8 billion for urban and rural regeneration projects, €7 billion for clean urban transport, and €917 million for housing. Other investment in infrastructure in research and innovation, transport, the environment, education, health and culture also have a significant impact in cities.

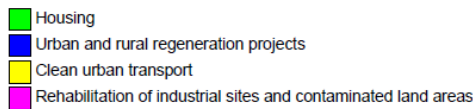
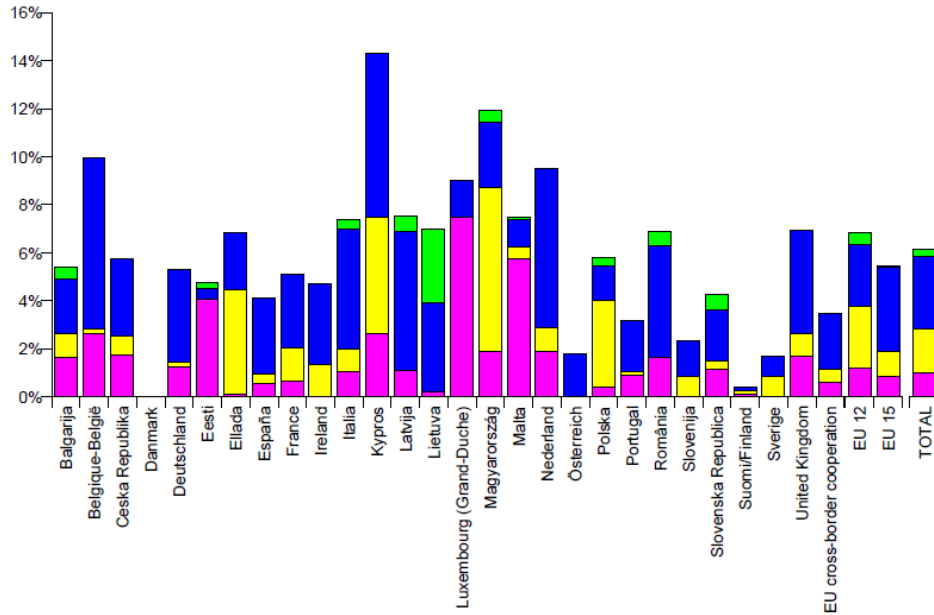
¹ Facilitates access to finance for business startups, the development of micro enterprises and SMEs

² Supports the preparation of major projects

³ Supports financial engineering in the Urban development field.

⁴ http://ec.europa.eu/regional_policy/themes/statistics/2007_urban.pdf

Chart: Allocations for Urban Development between 2007 and 2013



Source: DG REGIO SFC2007

Context of the subject

The main purpose of the enhanced Urban Agenda should be to serve the development and qualitative updating of the infrastructure and services in European cities. On one hand, the future measures must be closely connected with overall EU priorities to justify the contribution of EU budget. The EU2020 Strategy mainly concerns trends to the future though. Overcoming the current disparities among European cities is of equal importance and should be reflected in the priorities of future Cohesion Policy. Having in mind the experience of the Lisbon Strategy, the evolution of the Urban Agenda must not be a one-way process, it must have its comprehensive bottom-up dimension. Therefore it is crucial that the cities have their say that is heard carefully at EU level.

Local needs and/vs. EU priorities

Europe's cities are its centres of economic activity, innovation and employment, yet they face a number of challenges. The trend to suburbanisation, the concentration of deprivation and unemployment in urban neighbourhoods, increasing congestion – complex problems such as these require integrated answers in transport, housing, and training and employment schemes, which must be tailored to local needs. European regional and cohesion policies address these

challenges.

On one hand, there is a clear understanding that the EU co-financing must go hand in hand with the overall EU priorities incorporated in the EU2020 strategy. Its content is focused on coping with new challenges and temporary impacts of the economic downturn. On the other hand, your Rapporteur is of the opinion that Cohesion Policy (including its Urban Agenda) must not give up its original purpose, that is, in overcoming current disparities.

As a matter of fact, when local authorities are asked to prioritise, they tend to prefer investments into the disparities and handicaps, and then into coping with global trends. Finding a way to strike the right balance between these two directions is of a crucial importance. Your Rapporteur is of the opinion that EU funding should not purely substitute the past under-investments. On the other hand the EU level should not be too prescriptive either, otherwise the EU offer will not meet with the local demand. The justification might be to invest into smart urban development with the aim of lifting the cities' infrastructure and services to a higher qualitative level.

Sub-delegation of responsibilities (decision-making, project selection, financial)

The principle of subsidiarity is a key element when it comes to European interventions in regional and urban development. Your Rapporteur is of the view that the common priorities and measures should support the initiatives at local level and should not substitute them. The question of 'What measures at which level?' is key in this respect. He advocates that each level should capitalise on its strengths:

- **EU level** - providing financial resources, data (benchmarking, global trends), methodology based on shared best practice, guidance for multi-level governance, setting minimum standards for programmes to comply with EU priorities;
- **National level** - formal co-responsibility for cities in designing, negotiating and implementing the programmes, creating tools and resources for specific national priorities of urban development complementary to EU ones;
- **Regional level** - making cities co-responsible for the regional operational programmes (see above), coordinating the regional and local strategic development plans, creating structures for such a coordination, creating tools and resources for specific regional priorities of urban development complementary to EU and national ones;
- **Local level** - analysis, strategic planning and decision making, project selection (not necessarily 'administering' the funds), integrated financial planning (EU, national, regional, local and private resources).

Multilevel governance and partnership principle

For the future evolution of the Urban Agenda it is very important to reflect on the experience of recent 'urban mainstreaming'. A proper evaluation of the mainstreaming process including the list of strengths and weaknesses must be carried out before further steps are taken. This should lead to a list of recommendations or standards for more formalised local involvement in the future policy design and implementation.

Integrated strategic planning

Integrated strategic planning is commonly accepted as an important tool ensuring the efficiency and holistic approach to local development. On the other hand the definition and understanding varies member state by member state. Setting a common guidance might be of a help. Therefore your Rapporteur suggests that the EP calls on the Commission to create such a guideline, and to step up technical assistance efforts. At the same time Member States will also be encouraged to make use of the available assistance in urban planning.

Comprehensive financial planning including the future of financial engineering

Experience shows that in many cases, project ideas are generated based on the availability of funding, instead of being based on real needs and strategic priorities. It is one of the main challenges of development policies and also of Cohesion Policy. This 'projects for money' approach should be replaced by 'money for projects' approach: projects should not be drafted to withdraw the funds available but to meet the strategic goals.

Your Rapporteur is of the opinion that the cities should be offered sufficient flexibility to use the funds for their very priorities. The development projects should not be drafted to withdraw the funds available but to meet the strategic goals. Regional, national and EU funding opportunities should be coordinated so as to cover the whole range of specific needs.

1.12.2010

OPINION OF THE COMMITTEE ON TRANSPORT AND TOURISM

for the Committee on Regional Development

on the European Urban Agenda and its future in cohesion policy
(2010/2158(INI))

Rapporteur: Anna Rosbach

SUGGESTIONS

The Committee on Transport and Tourism calls on the Committee on Regional Development, as the committee responsible, to incorporate the following suggestions in its motion for a resolution:

- A. whereas mobility and access to transport are vital factors in urban development, particularly in multiple deprivation areas, and transport can have a major impact on regional development, on the economy, environment and prosperity of an urban area, and on its citizens,
- B. whereas most transport intersections (in particular for the Trans-European Transport Networks (TEN-Ts)) and intermodal hubs are located in urban areas, and whereas urban mobility plays a vital role in the smooth functioning of these strategic points with regard to the provision of both feeder services and intermodal links,
- C. whereas, in addition to objectives relating to the environment, traffic flow and energy performance, better overall transport performance is a key element of the EU 2020 strategy, in particular in urban areas – where some 75% of EU citizens live and which account for 85% of the Union's GDP,
 - 1. Highlights the importance, in implementing sustainable urban regeneration, of an efficient, safe, affordable and environment-friendly transport network, and points out that carefully considered regional and urban planning is also an essential element in this regard, as a basic precondition for a properly functioning and sustainable transport system;
 - 2. Emphasises the supporting role which cohesion policy, the structural funds and the

Cohesion Fund can play in fostering urban mobility; draws the Commission's attention to the importance of ensuring that urban areas in all parts of the EU can obtain such support, since the gravity of the problems specific to urban areas is not only linked to GDP;

3. Reiterates its endorsement of the principles set out in its resolution on an Action Plan on Urban Mobility (2008/2217(INI)) and calls for the implementation of the 20 actions proposed by the Commission in the Action Plan on Urban Mobility (COM(2009)0490);
4. Points out that urban transport services are covered by the subsidiarity principle; emphasises, nevertheless, that European cooperation, coordination and funding would enable local authorities to meet the challenges they are facing, particularly in relation to transport;
5. Calls on the Commission, in keeping with the subsidiarity principle and having regard to the differences between and characteristics specific to urban areas, to work to improve the coordination of transport and cohesion policies at urban level, in cooperation with states, regions and local stakeholders, taking into account the objectives of social inclusion, safety, competitiveness and environmental protection; reiterates its call for an integrated approach to be made compulsory in the programming and selection of projects for support from the structural funds and the Cohesion Fund;
6. Welcomes the Commission's intention, as stated in the fifth Report on Economic, Social and Territorial Cohesion, to introduce an ambitious urban programme and take better account of urban areas in cohesion policy;
7. Strongly supports the use and promotion of integrated sustainable urban mobility plans (SUMPs), including urban logistics plans for goods and services; urges the Commission to publish recommendations and guidance documents for drawing up these plans covering, inter alia, the development of soft traffic infrastructure (cycling paths, pedestrian zones, etc.) fully integrated with public transport, improved urban planning and regular connections to surrounding and rural areas, and taking account of key criteria such as safety, residents' quality of life, the environment and economic efficiency; proposes that EU funding for urban transport projects should be made contingent on the existence of such plans;
8. Points out the need to ensure that the urban mobility plans include road safety strategies paying particular attention to the most vulnerable road users;
9. Considers integrated ticketing at urban, inter-city and regional level to be vital for urban mobility, and urges the Commission to promote best practice with regard to existing schemes within the Union, and to put forward specific measures where appropriate;
10. Stresses the importance of accessible, high-quality and sustainable public transport and intermodal mobility chains for urban and suburban areas, conurbations and adjacent rural areas, as part of the response to urban sprawl, and also for deprived neighbourhoods and people with reduced mobility, and calls on the Commission and the Member States to promote exchanges of best practice in this field;
11. Supports, in this context, action to promote the most sustainable modes of urban public

transport, such as underground rail systems, trams and vehicles with low CO₂ emissions, as well as other healthy, non-motorised modes of transport such as the bicycle; encourages local and regional authorities to upgrade their urban fleets with vehicles and modes of transport that are more environment-friendly;

12. Points out that the use of fast, clean river boats can make a major contribution to reducing the ecological footprint of urban transport, and calls on the Commission and the Member States to encourage exchanges of best practice in that regard;
13. Emphasises that the density of urban areas makes them the areas which suffer most from – and generate most – congestion and air and noise pollution; calls on the Commission to encourage the use of public transport as an alternative to the car in such areas;
14. Calls on the Commission to implement the Leipzig Charter on Sustainable European Cities and to keep Parliament informed of developments in that regard;
15. Underlines the vital importance of sustainable transport infrastructure to the regions and cities of Europe and calls on the Commission to optimise existing sources of funding and to provide innovative financing solutions for its development, through pilot projects and the promotion of networks such as the SmartCities project, without detriment to urban-rural connections;
16. Emphasises that the vital role of public transport in relation to social cohesion must be taken into account in policies on investment, fare-setting and public service obligations which specifically affect this form of transport, in order to safeguard equal access to employment, education and culture and to prevent the formation of urban ghettos;
17. Calls on the Commission to ensure, when the regulations on passengers' rights next come up for a cross-cutting review, that it pays particular attention to groups of people with reduced mobility, and to the involvement of relevant citizens' groups;
18. Takes the view that the economic crisis must be used as an opportunity for focusing transport policy on innovative and ecological transport modes, as well as interoperable intelligent transport systems; in this context, supports the Civitas initiative and the Covenant of Mayors and calls on the Commission to ensure that both these initiatives will be updated in future to include measures for improving the governance of urban and inter-city transport; stresses that the application of intelligent transport systems (ITS) will make a significant contribution to improving energy efficiency, safety and security in the transport sector, and calls on the Commission and the Member States to ensure coordinated and effective deployment of ITS in the Union as a whole, and particularly in urban areas;
19. Calls on the Commission and the Member States to invest in ITS which provide innovative services related to different modes of transport, traffic management and more coordinated and 'smarter' transport networks;
20. Believes that cohesion policy has a great impact when it takes an integrated approach, including aspects such as transport (co-modality), land use and nature protection, climate protection, noise reduction and energy efficiency;

21. Stresses the potential of the structural funds and the Cohesion Fund in relation to completion of the TEN-Ts programme, in particular in urban areas, but deplores the lack of coordination between cohesion policy and transport policy; calls on the Member States to make greater use of the resources available; deplores the lack of clarity and information about ongoing project implementation;
22. Considers that cities form the main hubs of the TEN-Ts and – in accordance with Article 170 of the Treaty on the Functioning of the European Union – play a key role in territorial, economic and social cohesion; calls on the Commission, when the TEN-Ts next come under review, clearly to establish the links between these hub cities and their respective ports, airports and logistics centres;
23. Calls on the Commission to use innovative, genuinely effective forms of funding for transport infrastructure and transport systems (European bonds, the ‘golden rule’, etc.) and reiterates its calls for the TEN-Ts budget to be increased.

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	1.12.2010
Result of final vote	+ : 33 - : 1 0 : 0
Members present for the final vote	Inés Ayala Sender, Georges Bach, Izaskun Bilbao Barandica, Antonio Cancian, Michael Cramer, Christine De Veyrac, Ismail Ertug, Carlo Fidanza, Knut Fleckenstein, Mathieu Grosch, Juozas Imbrasas, Dieter-Lebrecht Koch, Werner Kuhn, Jörg Leichtfried, Eva Lichtenberger, Marian-Jean Marinescu, Hella Ranner, Vilja Savisaar-Toomast, Debora Serracchiani, Brian Simpson, Keith Taylor, Silvia-Adriana Țicău, Giommara Uggias, Thomas Ulmer, Dominique Vlasto, Artur Zasada, Roberts Zīle
Substitute(s) present for the final vote	Zigmantas Balčytis, Philip Bradbourn, Spyros Danellis, Dominique Riquet, Joachim Zeller, Janusz Władysław Zemke
Substitute(s) under Rule 187(2) present for the final vote	David-Maria Sassoli

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	26.5.2011
Result of final vote	+ : 36 - : 0 0 : 2
Members present for the final vote	François Alfonsi, John Bufton, Alain Cadec, Salvatore Caronna, Francesco De Angelis, Tamás Deutsch, Elie Hoarau, Danuta Maria Hübner, Juozas Imbrasas, María Irigoyen Pérez, Seán Kelly, Mojca Kleva, Constanze Angela Krehl, Petru Constantin Luhan, Ramona Nicole Mănescu, Riikka Manner, Iosif Matula, Erminia Mazzoni, Jan Olbrycht, Wojciech Michał Olejniczak, Markus Pieper, Tomasz Piotr Poręba, Georgios Stavrakakis, Nuno Teixeira, Michael Theurer, Michail Tremopoulos, Lambert van Nistelrooij, Kerstin Westphal
Substitute(s) present for the final vote	Karima Delli, Cornelia Ernst, Karin Kadenbach, James Nicholson, Maurice Ponga, Elisabeth Schroedter, László Surján, Patrice Tirolien, Derek Vaughan, Sabine Verheyen