

Danuta Hübner
Chair of the Committee on Regional Development

**"The urban dimension of the cohesion policy as a key element of the
upcoming negotiations on 2014-2020 regulatory framework"**

Workshop on the Urban Dimension of Cohesion Policy

OPEN DAYS 2011
Committee of the Regions
11th October 2011, Brussels

You know better than I do statistics underlying the weight of urban share in major European challenges, both problems and opportunities. It is true that cities account for about two thirds of the final energy demand and generate up to 70% of all CO2 emissions. But we also know that cities have higher than average capacity to achieve energy efficient solutions as well as reaching required changes in life styles. They have higher potential to achieve social integration, improve education and enhance cultural dialogue. As homes to universities and businesses they can deliver innovation across all sectors of the economy. Urban policy must provide therefore the major part of Europe's response to the changing world. Also crisis hit cities strongly exposing their weaknesses.

In identifying the best ways to move forward we must take into account rather hostile conditions for regional and local development. I think here of such facts as fiscal consolidation meaning national and local government drastic reductions of spending, I think here of rather uphill struggle which will be negotiating the next Multiannual Financial Framework for the post 2013 period. The negotiation will be long and arduous. So much depends on their

outcome as all major sources of urban budgets have declined. They require solutions both innovative and sustainable. Even the best regulatory framework for the future urban dimension of regional policy will not replace massive funding flows needed in cities and towns to deliver on expected changes – from quality of life to new energy schemes to social innovation. To find a way out of the funding challenge, we need cooperation between all levels of European governance and partners, combining different public sources and a genuine progress in public private partnership, as well as continued and more robust expansion of EIB funding at city level. The role of public funding and in particular of EU budget will be crucial for triggering innovative solutions to major challenges cities face. Pre-commercial public procurement should be used more robustly to enhance innovative solutions in city infrastructure and service provision, green public procurement should become a standard. But public funding will not solve all the needs. New financial instruments and further enhancement of the use of Jessica must be considered. And I am convinced that cities are and will continue to be an investment location that with a joint effort of all partners and supporters can be easily made attractive to private investment. Again, there are numerous examples across Europe of successful work on investment attractiveness of towns and cities.

Few words on my favorite topic - city branding. We should do more to understand the role and enhance the emergence of city brands. Most of European cities suffer from lack of positive branding. Some cities would benefit strongly from rebranding. Successful cities are those with an identified positive image and with effective policies strengthening their positive

attributes. We should encourage cities to exploit their comparative advantages and to invest in their own brands. Of course city branding is not easy and rebranding is even a greater challenge and can be painful. But there are success stories. What seems essential is social capital, shared vision, also access to funding, good policies based on partnership principle, and of course ability to communicate with the public.

New regulatory frameworks strikes a constructive balance between various, already know approaches to urban development. Today we have two strands of experience in urban policy framework – the one of Urban Initiative and the one of mainstreaming. We have a chance to pick up the best of both. Through mainstreaming the European Commission intended to take up the successful approaches to urban development and spread them and the methodological concept to cities, towns and regions across Europe, especially to the new member states but not only. I believe the mainstreaming has worked, even though we hoped for much more. There is more awareness and understanding of what urban challenge is about. But for many issues to address, a policy tool allowing for experimental approaches, especially where multiple deprivation exists, will be the only way to go. There is therefore the need to see an active role of the European Commission to initiate and promote progress, to enter a new, often unknown territory through special initiatives. But those innovative instruments will not replace a solid mainstreamed urban dimension, will not replace the role of cities and local administration cooperation with partners and supporters across the European Union. Without doubts more local development initiatives, more global grants

type of tools, new financial instruments, more urban stakeholders in management structures and more consensual work between cities and regions will be needed. We will need upgrading networking platform, using fully URBACT potential, opening networking to all cities and towns willing to participate. Bridging focused investment through Urban initiatives and mainstreaming, encouraging cooperation between cities and towns and national and regional authorities, reinforcing the cooperation, contributing to linking better urban dimension with regional policy actors, plans and policy instruments, pushing towards closer cooperation between cities within member states - a lot can be done. In the context of the crisis, an effective urban policy can take us faster to a more effective model for European cities.

Our debate on the new regulatory framework just starts. We should do everything to make sure that cities play their role as engines of smart, inclusive and sustainable development of Europe and strengthened cooperation and networking add to results. Cities often move beyond administrative borders towards functional territories where integrated development is the best way to go. They must be encouraged to develop strategies and spatial plans. They can contribute enormously to improving efficiency and effectiveness of all policies, not only the cohesion policy and its urban dimension. The Gödöllő Territorial Agenda 2020 can become an action plan only if all those who know and can generate change contribute.

We all know that there are very few cases of delegated responsibility for managing programs to city level. On this a bold step forward is needed and I

can only hope that we will manage to get this time around adequate provisions in the regulatory framework. Local authorities need support to take over new responsibilities. Erasmus for local authorities could help build capacity in this context.

The new regulatory framework is friendly to urban development. Dirk Ahner will present details. There will be a clear focus on sustainable urban development with at least 5% of the ERDF resources allocated for "integrated actions" (with investment from different programmes) in this field by each Member State. In addition, the Commission will launch calls for innovative actions in urban areas and make human capital investments in cities easier. Particular attention will be paid also to areas with specific natural or demographic features, with a specific additional allocation for the outermost regions and sparsely populated areas.

What will be changed in the policy for urban development for 2014-2020 will depend on negotiations. The proposals highlight the important contribution of cities to Europe's growth and employment. The objective is to focus on sustainable urban development. Actions will be delegated to cities for management. An urban development platform will be established to promote capacity building and exchange of experience within the EU. The Commission proposes to allocate part of the budget (0.2% of the ERDF allocation) to finance innovative actions in urban areas.

To conclude, it is true that recent years have seen growing intensity of cooperation among member states in the area of urban development.

Territorial Agenda 2020 opens new avenues in this respect. All well known principles of urban development have been incorporated in the Agenda. In the European Parliament rapporteurs for regulations have already started their work., In addition to the formal Committee on Regional development where we will negotiate regulatory framework, there is also Jan Olbrycht with the Intergroup "Urban". Also, working group on urban dimension of cohesion policy has been established by the Polish presidency. I trust that the Presidency of my home country will be a milestone in taking us forward towards new pragmatic approach to urban development and policy. We have a chance and, indeed, we are moving towards more clear involvement of the EU level in urban policy making through cohesion policy with a stronger involvement of the cities themselves in both policy formulation and implementation.