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To improve the participation of small, medium and peripheral cities in the definition of the European Urban Policy

Contribution of the EURE project partners to a more effective Urban Policy



**Interreg
Europe**



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**To support a vast minority of small,
medium, and peripheral cities**

**For a polycentrism at the center of Urban
Policy and Cohesion Policy**

From an urban life to a more humane life

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More information on the Interreg Europe EURE project: www.interregeurope.eu/eure

Report on opinion of small, medium and peripheral cities about priorities for urban policies - Technical support to the main conclusions and recommendations

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1. Background and aim of the report

During the kick-off meeting, held in Santiago de Compostela (Spain) on 11th July 2019, the partners of the EURE Project, financed by the Interreg Europe, decided to produce two additional reports as an extra deliverable within the project. One of these two documents is **an opinion report on the position of the small, medium and peripheral cities about the priorities of urban policies**

This would be a simple document to be produced by experts while they work on the Joint Report¹ and State of Play Regional Reports, taking advantage of their regular meetings. At the end it would include a Chapter with 'Findings and 'Recommendations'. This document **would be addressed to policy makers** for their analysis and would be based on the knowledge, experience, and exchange between partners. It would be produced by experts, but the final version, and especially the political messages, should be approved by the EURE Steering Committee members.

To produce this report, partners analysed the role of their cities in the European urban policy definition (if any) as well as the impact of European urban policies on them. The overarching question that project partners tried to answer is how they feel about their representation at European level and in the different committees, programmes and priorities. It is important to keep in mind that the demographic challenge that Europe currently faces is specially linked to areas with low density of population in which these small, medium and peripheral cities can play a major role in terms of public services for inhabitants. Is this role being taken into consideration?

The main question to answer is mainly how **to improve the presence of the small, medium and peripheral cities in the definition of the European Urban Policy** and their participation in funds allocated by the future equivalent Article 7 of the ERDF Regulation to urban policies to ensure that its priorities give answer also to their needs?

Small, medium and peripheral cities usually have less economic resources than the bigger ones. Usually their population is ageing (because young people use to move to big cities that offer more attractive job opportunities) and therefore has growing needs from the public services. Nevertheless, small cities (less than 50.000 inhabitants) are not eligible for funds coming from article 8 of the ERDF Regulation (Urban Innovative Actions). The funds allocated by Article 7 of the ERDF Regulation to urban policies **are now addressed mainly to big cities whereas the smaller ones have no access to them** (although some countries, like Spain, have managed to find options to include smaller cities under some specific conditions). This paper should give clues about **the future role of small, medium and peripheral cities in the definition of Urban Policy priorities and in ERDF funds**. For instance, Lubelskie authorities intend to include for 2021-27 ITIs in number of 16 concerning Functional Urban Areas of small and medium cities.

¹ For a better and sustainable quality of life in European cities – An EURE Joint Report on how the funds allocated by article 7 of the ERDF Regulation for the development of urban policies are being used and how they can be improved

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The Opinion Report on the position of the small, medium and peripheral cities about the priorities of urban policies is divided into two publications, complementary but distinct:

- A summary document with the main conclusions and recommendations of the EURE project partners, structured and intended for urban policy-makers, and
- A report, also synthetic, concerning and describing the technical support to the main conclusions and recommendations.

2. EURE project partners' aim

Europe has a wide variety of small, medium-sized and large cities. As part of a polycentric urban system, these are functional areas with varying potentials and challenges. European cities are more than places of densely arranged built structures; they also enable cultural, social, ecologic and economic interaction. Most cities are unique, historically grown centres of outstanding cultural value shaping Europe's urban heritage and the identity of its citizens. Thus, culture is at the core of any sustainable urban development, including the preservation and development of the built and other cultural heritage.

Cities are places of pluralism, creativity and solidarity.

The new Leipzig Charter

According to the study entitled "Cities in the World", produced jointly by the OECD and the European Commission, the population living in cities with more than 50,000 inhabitants has more than doubled over the last 40 years, going from 1.5 billion in 1975 to 3.5 billion in 2015. It is projected to reach 5 billion by 2050.

24.2% of Europe's population lives in small, medium and peripheral cities with a population of between 5,000 and 50,000. Total number of such cities in Europe is 8,350. These cities play an important economic and social role as centers of employment, public and private services, local transport hubs, as well as local and regional centers of knowledge creation, innovation and infrastructure for a large proportion of Europe's population.

European Union does not have a genuine common urban policy. The European Urban Agenda and the European Structural and Investment Funds through Article 7 of the current ERDF Regulation have mitigated this omission and it has been through it that the Commission has sought to promote logical models for a common approach.

The Urban Agenda for the EU recognizes that urban areas of all sizes can boost growth, create jobs for citizens and enhance Europe's competitiveness in a globalized economy. The EU does not have a specific policy for small and medium size cities, which are hardly concerned by ERDF's articles 7 and 8 (in particular the smallest ones).

The partners of the EURE Project decided to produce an Opinion Report on the position of the small, medium and peripheral cities about the priorities of urban policies, including

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their contribution on the concepts to be accepted by Urban Agenda for the EU and Eurostat.

EURE project partnership involves Cities from different EU Member states, with different types of administrative organization on national, regional and local levels. Their common type of organization relies on the Municipality and City levels.

Based on their concrete experience, the EURE project partners tend to contribute to improvement of the presence of the small, medium and peripheral cities in the definition of the European Urban Policy.

3. Recommendations of the EURE project partners

The EURE project partners, aiming to improve the presence of the small and medium sized cities in the definition of the European Urban Policy and their participation in funds allocated by the future equivalent Article 7 of the ERDF Regulation, recommend:

01. Promote an effective participation of small, medium and peripheral cities in the EU urban policy to strengthen policentrism, as well as an adequate definition of these cities, depending on the territory in which they are located;
02. Empower public and social participation of the local administration in the design, implementation, monitoring and evaluation of urban strategies and, in general, urban policy;
03. Sustainable and integrated urban development requires taking into account in a progressive way functional urban areas and polycentric urban systems;
04. Promote a greater commitment of Member States in political and financial decentralization to the local administration;
05. Give greater relevance to strategic planning in the preparation of the programme instruments for the implementation of urban policy and public investment in general;
06. Promote the territorial and thematic grouping of cities and entities for the joint development of sustainable urban development policies through integrated territorial strategies;
07. Urban functional areas for sustainable urban development can and should overflow administrative demarcations, configuring around different urban functions, polycentric territorial systems and greater territorial interrelationships;
08. Empower the capacity building for decentralized authorities and simplification of ERDF management and ensure that ERDF resources allocated to urban policies are increased;
09. Circular Economy should be mainstreamed into European Urban Policy for small, medium and peripheral cities;
10. Cities, as they have done during the health pandemic, should play a crucial role in post-COVID socio-economic reconstruction.

A brief explanation about EURE project partners recommendations:

01. Promote an effective participation of small, medium and peripheral cities in the EU urban policy to strengthen policentrism, as well as an adequate definition of these cities, depending on the territory in which they are located.

The model of economic development that has prevailed in recent years has favored the concentration of populations in large metropolises and in progressively reduced areas, in which the demand for more skilled jobs has also been concentrated. This excessive concentration was not the first cause of the epidemic outbreak, but it was probably the first cause for the dimension it has already reached.

At the end of this crisis, we will not return to the starting point. The future context will certainly be quite different.

Small, medium and peripheral cities are one of the drivers of development: they stimulate economic and social innovation: facilitate the emergence of new business initiatives, ensure equipment and services, support recreational and cultural activities, facilitate the diffusion of information, economies of agglomeration and critical dimension. Overcoming the demographic problem depends to a large extent on the capacity of the urban centers to boost resources and opportunities, generate initiatives and activities, attract and fix population.

Even if for statistical purposes Eurostat considers a City as a Local Administrative Unit (LAU) where the majority of the population lives in an urban centre (population density of 1,500 SqKm) of at least 50,000 inh., there is not yet a clear concept of what is a small or a medium size City.

But the legal and practical reality shows that in several countries, like for instance Spain and France, that we should consider:

- a City, a LAU with 20,000 inh. or more;
- a Medium City, a LAU between 10,000 and 20,000 inh.;
- a Small City a LAU not exceeding 10,000 inh.

Some European territories have populations of less than 20.000 inhabitants and they have not been able to access European funding for urban strategies, but they are in reality the central nodes for larger areas made by urban areas of more than 20.000 inhabitants formed by a system of dispersed and non-continuous or contiguous nuclei.

It seems reasonable to incorporate this reality into urban strategies and make funding through ERDF funds possible for population centres which, on their own, do not reach the threshold of 20.000 inhabitants. Particularly relevant is the role they have as the drivers of large rural areas and their importance in providing these areas with equipment, infrastructure and services that prevent the depopulation of these rural areas. This reality should not be left out of the process of making a strategy.

In this context, it is necessary to define the conceptual framework of the term small, medium-sized cities based on the territory in which they are located and their administrative organization. Given the heterogeneity of Europe, there could not be a single concept.

The application of the ERDF's urban axis should be able to distinguish between these specific urban conditions, for example between medium, small cities and metropolitan areas, where solutions cannot be the same.

02. Empower public and social participation of the local administration in the design, implementation, monitoring, and evaluation of urban strategies and, in general, urban policy.

Urban Policy is now one of the main responses of Cohesion Policy to the harmonious development of European territories. It cannot, however, be seen as a policy aimed only at large metropolises and metropolitan areas. The stimulus to the urban system must be based on the creation of a cohesive and articulated network of small and intermediate cities which, although marginal in relation to the main metropolitan areas, constitutes the vital network that gives resilience and economic and social dynamics to the territories.

The effectiveness of the participation of cities and their groups in the preparation and monitoring of the various European programmes at national level should be ensured, in particular those related to the new funding period and programmes of clear health to cities. And expressly in urban strategies.

Further steps should be taken to strengthen the role of citizens and local actors in the development of sustainable urban policies and their strategies and throughout all phases of their implementation. This should be done on a dual scale: at the level of the urban area as a whole and at the level of the specific area where the actions are implemented, to involve the population of the neighbourhood and agents of the area.

It would be advisable to define the clear will to give knowledge of urban policy and its implications to the general population and the whole of society and not just among experts in the field.

Public participation, in particular in what concerns local government, is essential in a democratic modern world. People, by definition is the target of all measures taken on its behalf. Local government should therefore take its opinion in every major decision, in particular when it concerns urban policy strategies, project planning, monitoring and evaluation, by means of inquiries and / or systematic consultation, via appropriate local structures.

03. Sustainable and integrated urban development requires taking into account in a progressive way functional urban areas and polycentric urban systems

These "new" urban territories tend to share problems and should therefore tend to design and promote common urban development strategies, to the extent that local sustainable development will rely on the capacity of planning joint actions engaging different actors with variable and integrated scales.

Cities with 20,000 or less inhabitants who are nodes of large rural areas should be allowed to create a functional urban area or as part of a discontinuous multicentre network of centres to directly access European urban funding and national cohesion fund plans for urban policies.

The next period and program should advance the incorporation of the concept of functional urban areas, with special attention to metropolitan ensembles, polycentrism of smaller cores and rural urban transitional spaces.

Greater attention should be paid to the relationship of the city and the surrounding rural area. Rural-urban relations should be considered in the definition of sustainable urban development policies. Urban expansion has led to the development of areas where urban and rural fabric are intermingled. Social and functional differences between life in cities, and rural surroundings, are becoming increasingly difficult to distinguish and therefore it is not easy to draw a clear line between urban and rural areas. Urban and rural areas must cooperate to contribute to balanced territorial development.

Normative, organizational, and financial mechanisms must be developed at all levels as precondition for the incorporation and development of new functional areas with the express participation of cities and municipalities.

04. Promote a greater commitment to member states in political and financial decentralization to the local administration.

The exit from the current crisis requires dimension in the answers and speed in the decision-making process. The European institutions have been able to respond with an unmet scale and a great opportunity for decision-making. It is now necessary to define the direction for the exit of the crisis.

Small, medium and peripheral cities are dedicated to make a contribution compatible with the quality and level of European Council decisions under the Next Generation EU and the Multiannual Financial Framework, not limiting to claim for more funds for their territories. They have the capacity and legitimacy to claim an intervening and autonomous voice in the choice of options, focusing on the need to define new public policies from territories perspectives as a functional whole.

Municipalities have been systematically called for new responsibilities and new responses to citizens' yearnings, insecurity and expectations, which go far beyond their

traditional areas of intervention. This new extended framework of demands is the result of the capital of trust that citizens place in them.

The wave of populism has accompanied the growing epidemic outbreaks especially because populism feeds on citizens' insecurity and growing inequalities. Aside of the ongoing crisis, we must combat insecurity and inequality. Small and medium towns and their urban authorities are particularly well positioned for this task due to their proximity, the scale of their responses and especially because they have corresponded to the confidence of citizens.

By that, small, medium and peripheral cities may require cooperation between cities, cooperation between the various levels of public, national, regional and local administration and advocate cooperation with companies. New public policies to get out of the crisis can only be defined on this multi-level basis of cooperation and governance to be effective.

By that, small, medium and peripheral cities must therefore participate actively and from the outset in the definition of public policies to respond to the consequences of the current crisis and financial instruments for their implementation.

The nexts programmes can greatly help the necessary empowerment of cities. Obviously, a general change in policy and relationship with local administration is necessary, giving them adequate powers and budget, and requiring less protection from central government agencies which, in the current programme, carry out overly direct control towards local entities.

The commitment to multi-level governance at both vertical and horizontal levels and both at European and state level should therefore be deepened to clarify the roles and competences of the different levels of government involved in urban policies.

05. Give greater relevance to strategic planning in the preparation of the programme instruments for the implementation of urban policy and public investment in general

The response to the social emergency and economic crisis should be innovative because the usual tools to support the maintenance of jobs will most likely not be sufficiently effective.

People, families and companies have been forced to incorporate and provide mobility capacity through technology. It is now indispensable, to be able to continue with activities from home, to maintain commercial relations, to access public and private services, and even to maintain social relations.

Digitalization was already inscribed in the urban agenda; confinement only accelerated the dynamics of this process. Telework gained a completely unimaginable momentum just a few months ago. This change opens new perspectives for peripheral territories in a knowledge economy, strongly tertiary and digitized.

Digital technologies, especially artificial intelligence, are transforming the world at an unprecedented speed. These technologies have changed our ways of communicating, concerning living and working. They have changed our societies and economies.

The importance of integrated strategic planning in the field of sustainable urban development policies and the importance of developing urban agendas at all levels of administrations and governments or similar documents where this is not possible should be clearly expressed.

New urban development programmes and local agendas should be aligned with UN's 2030 Agenda and its SDG, in particular Goal 11, and with the COP21, the New Urban Agenda, the European Green Deal strategy and the Paris Pact, the European Pillar of Social Rights, the Covenant of Mayors for Climate and Energy or the Sustainable Cities Reference Framework as well as other international reference documents.

An effort must be made to make strategies more city-oriented and not a joint government. They should be the partial or total expression of a common and participatory approach and not a sum of conjunctural actions according to the central government on duty. The strategy should be somewhat broader, covering the municipal administration and different from the financeable projects.

06. Promote the territorial and thematic grouping of cities and entities for the joint development of sustainable urban development policies through integrated territorial strategies.

The relationship between central, regional and local administrations and between cities should be based on a collaborative spirit and procedure, defining an authentic co-responsibility between administrations, respect for the local administration without the city council being the space for confrontation between administrations. Urban and sectoral policy on cities must always be agreed with local administration.

It would be advisable to integrate sectoral strategies into urban policies, which are not only urban, if cities have a considerable role in their achievement and implementation. Aspects such as waste, energy, transport, etc. should be covered by sectoral policies that need to be more clearly integrated into urban policies.

07. Urban functional areas for sustainable urban development can and should overflow administrative demarcations, configuring around different urban functions, polycentric territorial systems and greater territorial interrelationships.

A better definition of the concept of urban area and urban authority should be valued, to allow for broader and more flexible interventions. Progress needs to be made towards a more flexible and inclusive concept of "urban area".

The concept of urban area must be completed with that of polycentric urban networks. Moving towards greater polycentrism at national and European level can promote cooperative strategies and inter-city network strategies for more equitable regional development.

Promote the institutional interrelationship of urban authorities, to share new ideas on the advancement of cities, new urban models, neighbourhood recovery, good practices, learning, organizational cultures, problem solving, etc. Communities of practice and networks fostering exchange between urban actors can facilitate this function, like for instance the existent Urban Development Network.

08. Empower the capacity building for decentralized authorities and simplification of ERDF management and ensure that ERDF resources allocated to urban policies are increased

In order to expedite the implementation of the 2021-27 programming period, it would be desirable to have the management mode, the relationship between administrations and the necessary IT tools that allow efficient use of time and guarantee the knowledge and dialogue of the different administrations to facilitate the 2021-27 programming period implementation. These tools should be designed in advance and applied during the whole life cycle of the program.

Further progress should be made in simplifying management that allows for higher execution speeds and more freedom of management bodies over intermediate bodies. The current programming period is extremely bureaucratic. A lot of time and efforts are wasted on bureaucracy and internal processing, which is one of the reasons for the low-level implementation of the current program.

Direct European/national funding should be facilitated and increased towards cities by giving towards and responsibility to local authorities in areas of marked urban character or in that linked to the European Green Deal.

The 2021-27 Multiannual Financial Framework, the Structural Reform Programme and the EU Recovery Plan should ensure that funds allocated to urban policies are increased.

Strengthening the roles of those funds, empowering the Local Authorities in them by the EU and the Member States, and recognizing its work in welcoming citizens will be a key to Europe's socio-economic recovery that must be clearly expressed and considered in future urban development programmes. Initially the Commission proposed at least 6% of ERDF for urban areas, and then the Parliament, the Conseil and the Commission agreed that this figure should be at least 8%. Why not go further, as it is already the case in several MS for 2014-2020?

09. Circular Economy should be mainstreamed into European Urban Policy for small, medium and peripheral cities.

Local and regional authorities (LRAs) are key actors for development of circular activities on the ground, stressing that many European LRAs have been pioneers in the transition to the circular economy (CE).

LRAs have used a broad range of approaches for developing the CE and that, in pursuing these approaches, they have faced several common challenges which are particularly related to the need to build knowledge and technical capacity as well as the need to access financial resources.

The following potential actions are recommended by the European Committee of the Regions to contribute mainstreaming the CE into European urban policies for small, medium and peripheral cities²:

1. Integrated measurements of the CE objectives and linking waste prevention with climate change.

There is an opportunity to tie in sustainable resource management objectives of decentralized authorities with the climate change adaptation and mitigation plans. The CE has a tremendous potential to mitigate the impact of products by preventing waste generation, extending the lifetime of products, and closing the loops of materials. It is possible for European cities and regions to contribute to reduction of the EU carbon footprint in several key sectors by implementing ambitious, yet feasible actions.

2. Interservice cooperation and integrated approach. The transversal nature of the CE local strategies should rely on the engagement of several policy departments. Inclusive internal governance and interservice cooperation are thus needed to bring around the table the relevant public administrations departments at the local or regional level, in particular those in charge of environment and waste, economic development, urban planning, education and employment, research and innovation.
3. Stronger link with smart specialization strategies. Smart specialization is characterized by the identification of strategic areas for intervention based both on the analysis of the strengths and potentials of the economy and on stakeholder involvement. Through this partnership and bottom-up approach, smart specialization strategies (S3) bring together local authorities, academia, business spheres and the civil society, working on the development and implementation of long-term growth strategies supported by the EU funds.

² "The Local and Regional Dimension in the New Circular Economy Action Plan", CoR Commission for the Environment, Climate Change and Energy. Available at: <https://cor.europa.eu/en/engage/studies/Documents/Local%20and%20regional%20dimension%20of%20the%20CEAP.pdf>

4. Stronger link with EU Structural and Investment Funds. Cohesion policies, as well as S3 strategies, offer a policy framework for integrated regional development focusing on the particular strengths of each region to deliver the CE. Proposed ideas to feed in the regulatory framework post 2020: promoting eco-design through investing in R&I and in capacity building on competencies for circular products/services; sharing models and change of consumption patterns, collaborative economy, as well as circular business models; and promoting the development of integrated territorial strategies which take into account the circular economy dimension of all decentralized authorities' authorities on sustainable resource management. There is no need to look far for solutions. Many of those concepts have already been implemented by decentralized authorities across Europe.
5. Reinforced short and local value chains. CE and the localization of the Sustainable Development Goals (SDGs) will be increasingly integrated into urban development strategies and policies to preserve urban resiliency balancing productivity, social inclusion and the environment.

10. Cities, as they have done during the health pandemic, should play a crucial role in post-COVID socio-economic reconstruction

This crisis began to be a public health crisis, but fear has generated a crisis of values, ways of life and social habits, which has generated a profound social crisis with overwhelming effects and is generating what is already being configured as the great economic crisis experienced by current generations.

Social and economic inequalities have been accentuated. This is a pandemic which is clearly asymmetric in its social and economic consequences.

There is now a more widespread perception about the demographic problem of an ageing population and the insufficiency and fragility of social structures to support the elderly.

Small, medium and peripheral cities have been systematically called for new responsibilities and new responses to citizens' longings, insecurity and expectations, which go far beyond their traditional areas of intervention. This new extended framework of demands is the result of the capital of trust that citizens place in them.

Therefore, decentralized authorities should participate actively and from the outset in the definition of public policies to respond to the consequences of the current crisis and financial instruments for their implementation, as clearly pointed out by the recent report of the UN-HABITAT: "Cities and Pandemics: Towards a more just, green and healthy future".