

COM-4/027

Brussels, 29 February 2000

OPINION

of the

Committee of the Regions

of 17 February 2000

on the

**Communication from the Commission to the Member States laying down guidelines
for a Community initiative concerning economic and social regeneration of
cities and of neighbourhoods in crisis in order to promote sustainable
urban development (URBAN)**

COM(1999) 477 final

The Committee of the Regions,

HAVING REGARD TO the proposal for a Communication from the Commission to the Member States laying down guidelines for a Community initiative concerning economic and social regeneration of cities and of neighbourhoods in crisis in order to promote sustainable urban development (URBAN) (COM(1999) 477 final)

HAVING REGARD TO the decision taken by the Commission on 25 October 1999, under the first paragraph of Article 265, of the Treaty establishing the European Community, to consult the Committee of the Regions on the matter

HAVING REGARD TO the decision by the Bureau on 2 June 1999, which directs Commission 4 - Spatial Planning, Urban Issues, Energy and Environment - to draw up the relevant opinion

HAVING REGARD TO the draft opinion CdR 357/99 rev. 1 adopted by Commission 4 on 2 December 1999 (rapporteur: **Sally Powell, UK, PES**),

adopted the following opinion at its 32nd plenary session on 16 and 17 February 2000 (meeting of 17 February).

1. Introduction

1.1 The Committee of the Regions welcomes the Commissions proposal for the continuation of the URBAN Community Initiative, which offers a powerful recognition of the continued need for EU structural assistance in deprived urban areas. It welcomes too the presentation of the Guidelines, as a “preliminary consultation draft”, to the European Parliament and Committee of the Regions before these are finalised.

1.2 The COR acknowledges that the current approach of targeting urban areas suffering from high unemployment, poor housing, a degraded environment and lack of social amenities, has led to significant successes: there are many examples of highly innovative projects across the EU.

1.3 The first URBAN Community Initiative made considerable progress towards providing a route into mainstream funding programmes, but there is a need for more to be done. URBAN has helped to bring about a cultural change through the direct involvement of communities, offering a different approach to integrated partnerships and programming. The experience of the former Community Initiative, and the developing awareness of the centrality of urban policy, have helped to shape the new urban strand of funding under Objectives 1 and 2, an important step forward in the recognition of the needs of towns and cities across the Union.

1.4 It is important to note that the new Community Initiative represents an additional way for the EU to address the problems of urban areas, with Objectives 1 and 2 providing considerably more significant support. The scale of funding proposed (700 million Euros for 2000-2006) has to be seen in this context, but the COR would nonetheless record its view that resources that equalled or improved upon the level of the previous programme would enable a wider range of innovative projects to be developed.

2. A strategy for the URBAN Community Initiative 2000-06

2.1 The strategy for the new URBAN Community Initiative needs to consider the broader issues which impact on and within the EU. Unemployment in many cities exceeds the national average, illustrating the impact of economic restructuring and the varying capacity for adjustment.

2.2 The challenge of the global economy which focuses on growth sectors such as communications, transport, international trade, environmental technology, in many ways impacts disproportionately on urban areas.

2.3 Social exclusion remains a predominant concern of the EU and is particularly acute amongst the long term unemployed, individuals from minority ethnic communities, and migrants, who face exclusion from the labour and housing markets in addition to language barriers.

2.4 The protection and enhancement of the urban environment remains a global challenge. The depletion of natural resources, increased pollution and waste, the loss of green space, amongst others reinforces the need for increased efforts by the EU.

2.5 Meeting the challenge requires a comprehensive approach combining preventative measures as well as remedial. The COR is pleased to note that many of the actions proposed by the Commission are seeking to adopt this approach. It is suggested however that further attention should be paid to these wider factors to the extent that they are not reflected in the draft document (e.g. globalisation, and the importance of preventative measures).

3. General objectives and principles

3.1 The two main objectives of the new programme are described in the draft Guidelines (paragraph 8) as:

a) to promote the formulation and implementation of particularly innovative strategies for sustainable economic and social regeneration of small and medium-sized towns and cities or of distressed urban neighbourhoods in larger cities;

b) to enhance and exchange knowledge and experience in relation to sustainable urban regeneration and development in the European Union.

The indicative list of eligible measures attached to the Guidelines stresses the importance of environmentally friendly development and rehabilitation, as well the integration of socially excluded persons through access to basic services such as health, education and public transport. It might be helpful for the description of the objectives more fully to reflect these emphases.

3.2 Subject to this proviso, the COR would support the two main objectives of the new programme. The key to the continued success of URBAN will be innovative strategies delivering projects on the ground which genuinely improve people's lives, and which bring together national, regional and local policies and funding regimes in an integrated manner. In the same way, the new Community Initiative offers exciting opportunities for local authorities to bring together the different facets of their work on social exclusion in a new integrated approach which stands to offer real added value from the new Community Initiative. Enhancing the exchange of experience and best practice is also particularly welcome from the point of view of local and regional authorities, given their role in developing and implementing the current programmes. This role must be taken account of in identifying new programmes and in their monitoring and implementation.

3.3 The COR is pleased to note that targeted actions in urban areas remains one of the key features of the new programme proposals, and supports the need for a critical mass of population. Mainstreaming the programmes into the wider economic, social and environmental strategic plans, will forge links between areas of poverty and areas of opportunity.

3.4 Local community-led programmes, strong partnerships and integrated actions are key elements in the success of the present URBAN programmes and the COR is pleased to note that these approaches continue to underpin the implementation of the new programmes. Targeted locally based initiatives such as URBAN encourage active and innovative working through local partnerships involving a broad range of players to promote and sustain community involvement. It is this involvement in identifying local issues and priorities, and developing and implementing plans for change, which leads to sustainable solutions.

3.5 But the COR would stress that empowering and enabling the local community to play their role requires investment in building and developing local capacity. This takes time and needs to be taken account of in the programming process. The COR also urges the Commission to recognise it is the quality of outcome that will demonstrate the success of the integrated policy approach, rather than simply quantifiable outputs reflecting such factors as, for example, any formal consultative processes which have been undertaken.

3.6 In addition the COR would stress that the diversity of urban areas calls for individual and flexible solutions. There is no definitive model which can be required or imposed: each urban

area has its own specific issues and challenges problems which demand its own approaches and solutions. Flexibility will therefore be fundamental to the successful development of projects.

3.7 Integration is a central theme of the sustainable development agenda, and this approach must be promoted within the new programmes. We cannot build a successful urban society by restricting economic growth; but equally we cannot preserve the urban environment without a recognition from all sectors of society of our common responsibility to conserve and enhance the quality of urban life; and we cannot achieve or sustain economic prosperity while social exclusion characterises so many of our urban neighbourhoods.

3.8 The COR also acknowledges the challenge of good governance, building local capacity to change and encouraging civic engagement, and welcomes the priority accorded to this within the new URBAN Community Initiative. The programme could offer possibilities for innovative and flexible decision making processes which will extend participation to the local community, taking forward the recommendations of the Urban Framework.

4. Eligible areas and priorities for action

4.1 The COR understands the case for the proposal for areas of 10,000 population to be eligible for support as this should provide sufficient scope and scale to develop innovative strategies. It notes the proposals that the maximum number of urban areas to be covered will be in the order of 50. The COR feels that each Member State should be able to put forward additional urban areas and not be restricted by the Commission's proposed figures. However, the COR would state that sufficient funding should be made available to ensure the effectiveness of each programme in meeting the objectives of the URBAN initiative. In addition the COR welcomes the broader accessibility to the programme so that all towns, cities or areas of deprivations within cities can now be eligible for consideration. This removes an artificial barrier previously in place and enables a coherent approach to be taken in tackling urban problems in a given area. It will also assist in widening the effect of the Structural Funds by admitting social factors such as health. It will provide greater opportunity for urban areas which have not previously been eligible for such support, and also offer the possibility of continuing eligibility for urban areas that have lost Objective 2 status. At the same time, competition for funding will be very great. The number of projects envisaged, the population base and the breadth of eligibility underline the importance of realistic expectations as to the scale of achievable outcomes.

4.2 The Guidelines set out nine criteria for eligibility, and an area will be required to comply with at least three:

- *a high level of long-term unemployment;*
- *a low level of economic activity;*
- *a high level of poverty and exclusion;*
- *a specific need for conversion, due to local economic and social difficulties;*
- *a high number of immigrants, ethnic and minority groups, or refugees;*
- *a low level of education, significant skills deficiencies and high drop-out rates from school;*
- *a high level of crime and delinquency;*
- *precarious demographic trends;*
- *a particularly rundown environment.*

The COR suggests that a more appropriate reference in the fifth criterion would be to “migrants” rather than “immigrants; that the use of the term “skills gap” would be more appropriate than “skills deficiencies”; and that the issue of *employability* be included in the issues related to education and skills.

4.3 The COR welcomes the flexibility allowed in the draft regulations for the use of a range of indicators, which makes it possible to reflect the differing needs of urban areas, and offers the prospect of more effective relevant programmes as a consequence.

4.4 The COR would also support the need to promote equality of opportunity, but would also add that all forms of exclusion only serve to reinforce the disparity between regions. Local and regional authorities would wish to take account of this in their programmes.

4.5 The COR acknowledges that the proposed set of priorities is appropriate for developing Community Initiative Programmes as they span a broad range of issues and together with the considerable variety of activities which can be supported, should assist in the delivery of innovative strategies, and flexible decision making.

5. Preparation of programmes – presentation and approval

5.1 The Guidelines propose that individual allocations are to be made by the Commission to each Member State, with a minimum level of spending of 500 Euros per inhabitant and a maximum number of areas per Member State (set out in Annex II of the document). Member States are then to identify the areas and the breakdown of funding, and to select the precise criteria for eligibility to apply in that Member State. Local authorities will thereafter develop Community Initiative Programmes in accordance with the requirements of the Guidelines, in partnership where appropriate with regional and national authorities. The Programmes are to be submitted to the Commission for approval before ERDF monies are granted.

5.2 The COR takes the view that the Guidelines should say more about the need for transparency at the stage of decision-making in Member States, including the need for consultation with local and regional authorities and for open competition for funds. As an alternative, the COR advocates the view that a fairer and more streamlined system would limit the opportunity for Member States to vary the criteria, with local authorities simply bidding against those in the Guidelines.

5.3 The COR welcomes the recognition of the role of local authorities in taking the lead. Local authorities have a unique role and important position in building capacity within the voluntary sector and creating new forms of partnership working.

5.4 Innovation is central to the new Community Initiative, and in this context it is suggested that particular efforts be made to achieve a simple, straightforward and flexible approach to the management of the Community Initiative, in order to allow local authorities and their partners to develop the most effective approach for their area.

6. Monitoring implementation evaluation

6.1 Local authorities will also play a leading role in those mechanisms to be developed for administering and delivering programmes, whether this is at local national or trans national level. COR would stress that local authorities should continue to be recognised on Monitoring and Steering Committees.

7. Financing

7.1 The COR reiterates its support for the new URBAN Initiative. Whilst acknowledging that the inclusion of the programme was at the end of the Structural Fund reform debate, and that urban areas will be eligible for greater specific support from Objectives 1 and 2, the COR would like it noted that the comparatively small budget allocation does not reflect the fact that four-fifths of the population of the EU live in urban areas.

8. Conclusions

8.1 The COR welcomes the presentation of the draft Guidelines to the European Parliament and to itself for consultation.

8.2 The COR supports the continuation of the URBAN Community Initiative and the general aims of the objectives covering the period 2000-06, subject to what is being mentioned below in paragraph 8.3 of the conclusions, but would nonetheless point out its concern over the relatively low level of resources.

8.3 It would be helpful for the description of the objectives in paragraph 8 of the draft Guidelines more fully to reflect the emphasis later in the document on environmentally friendly development and rehabilitation, as well the integration of socially excluded persons through access to basic services such as health, education and public transport.

8.4 The COR welcomes the continuation of the locally based targeted approach, but would stress that proper recognition be given within the programmes to the time it takes to build and develop capacity within the local community. In addition the COR would urge the Commission to take into consideration qualitative outcomes as a consequence.

8.5 The COR stresses that the diversity of urban areas needs to be reflected in the programmes and properly considered by the Commission.

8.6 The COR welcomes the expanded eligibility criteria as a more helpful approach to developing programmes, and supports the increased accessibility to the programme which the Commission proposals offer so that all towns and cities or areas of deprivation within cities can now be eligible for consideration. At the same time, competition for funding will be very great. It will be important to recognise the importance of realistic expectations as to the number of projects likely to be funded in each Member State and the scale of achievable outcomes.

8.7 The COR welcomes the recognition of the role of local authorities in developing and implementing the Community Initiative programme, and would want to see this carried through in the Guidelines into the programme management arrangements, including transparency and the need for consultation with local and regional government by Member States in determining criteria. Indeed, the COR would propose limiting the opportunity for Member States to vary criteria for project bids beyond common criteria set out in the Guidelines.

8.8 The COR would like to see the greatest possible simplicity and flexibility in the management and delivery of the new Community initiative.

Brussels, 17 February 2000.

The President
of the
Committee of the Regions

The Acting Secretary-General
of the
Committee of the Regions

Jozef Chabert

Vincenzo Falcone

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