



## Comments on the draft structural funds regulations

Partnership and multi-level governance  
Thematic concentration  
Sustainable urban development  
European Social Fund

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### 1. Introduction

This note sets out EUROCITIES position on selected key areas of the Commission's proposals on the draft structural funds regulations (General regulation, ERDF and ESF).<sup>1</sup>

### 2. Draft General Regulation

#### Partnership and multi-level governance

- In principle, we support the partnership approach proposed by the Commission in art. 5 and welcome the fact that the wording is stronger than the current regulations. It is essential that the current wording ('shall be involved...') is safeguarded.
- However the concept of partnership and the involvement of partners must be further defined. It may be possible to achieve this through a binding code of conduct. Alternatively, the Common Strategic Framework and/or art. 13-14 on partnership contracts must address the following issues:
  - The leaders and mayors of Europe's major cities must be involved directly in the process nationally to define and develop the partnership contracts. This is crucial for effective multi-level governance, coherent strategies, efficient spending and more value for money.
  - The partnership contracts should detail the specific role of city authorities, with a public mandate and democratic legitimacy, in the preparation, implementation, monitoring and evaluation of programmes. This should include the role of cities as equal partners to regions, due to the central role they play in delivering territorial cohesion and development.
  - City authorities must be involved directly as equal partners in the process of developing operational programmes. Experience shows that where cities have had an active role as partners in the process at regional and national level, the outputs have been better.
  - It is essential that the processes for developing operational programmes and partnership contracts nationally provide sufficient time for a meaningful

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<sup>1</sup> The note is a working document which will be kept updated to address more issues and respond to new proposals as the negotiations in the Council and Parliament develops.

involvement of the partners.

### 3. Draft ERDF Regulation

#### Thematic concentration

- We support the thematic concentration on Europe 2020 objectives, which can improve effectiveness and impact.
- We agree in principle with the proposal that 80% of ERDF funding should focus on 3 of the 11 thematic priorities outlined in art. 5 in more developed regions. But it will be essential that the three priorities provide sufficient flexibility to meet the needs of cities:
  - The investment priorities on a shift to a low carbon economy should include measures on sustainable urban transport and transport management. This is crucial to achieving a low-carbon economy in cities and is in many cases a key element in an integrated city strategy.
  - The three priorities must have a clear urban dimension. The concentration of 80% should not undermine the ambition to support integrated approaches and delivery on the ground in cities. Nor should the concentration mean that the use of integrated territorial investments and community-led local development is restricted only to the remaining 20%.
- Transition regions must be able to continue to invest in IT, transport and infrastructure developments. If we do not ensure that transition regions and cities within them have the possibility to catch up in these areas, it will make it difficult to deliver on other objectives related to competitiveness of SMEs and a shift to a low carbon economy.

#### Sustainable urban development

- We welcome the minimum allocation for integrated actions for sustainable development and the ambition towards greater sub-delegation to city governments. The ring-fencing of funds will help in particular in those regions where mainstreaming of an urban priority has not been effective in the past and where urban actions have been neglected or very poorly funded.
- But the minimum allocation should not distract from the need for a strong urban dimension across all programmes. Since the greatest potential impact for Europe 2020 goals lies in metropolitan Europe, each thematic priority should have a clear and strong urban dimension.
- The minimum allocation should not lead to an overall reduction in the level of financing for urban actions compared to the current situation. If all member states were to apply the proposed minimum rate, urban areas will lose out compared to the current programming period.
- Clear and transparent criteria should be developed for the selection of cities by member states for receipt of the ring fenced funding. This selection cannot be arbitrary or politically motivated.
- Such criteria should ensure the inclusion of those cities that will be key drivers of economic growth in their member state and therefore capable of delivering Europe

2020 on the ground. Often these will be metropolitan areas through which city authorities are cooperating strategically in policy development and in implementation. Functional urban areas should be represented via their core/hub cities.

- We support the proposed specific allocation to innovative actions and recognise the potential this offers to also support functional areas. It is however clear that only a very limited number of projects can receive support. Supporting a high number of smaller projects would undermine the incentive for cities to manage the projects as well as the potential wider positive impact of the project.

#### 4. Draft ESF regulation

- We welcome the strengthening of the social inclusion dimension and strongly support ring fencing of 20% for social inclusion priority. We believe city governments are strongly positioned to exercise a leading role in the preparation, management and implementation of this priority.
- We welcome the flexibility and range of investment priorities for ESF, but in order to maximise the impact of interventions city authorities must be involved in the selection procedure for priorities for national operation programmes or for sub-delegated programmes.
- We must ensure that ESF can potentially be targeted to all groups that are considered to be marginalised in a given area. Therefore, the list of investment priorities in art. 3§1(c)(ii) should not single out any specific marginalised communities as examples.
- A more explicit mention of the contribution that authorities delivering social services can make to social innovation is needed in art. 9. City governments should be involved in selecting themes and in accessing mutual learning networks on social innovation. In view of the high degree of risk-taking involved, the proposed 10% higher co-financing as incentive to take forward social innovation is insufficient.
- We welcome the enhanced importance of transnational cooperation detailed in ESF art. 10. However the role of city authorities must be more explicit, in particular concerning involvement in selecting themes and in accessing mutual learning networks. Again, the 10% higher co-financing is insufficient as incentive in the current economic climate. The squeeze on local authorities' resources will make it difficult to co-finance such programmes which in turn will limit cities' potential to effectively participate.
- We strongly support art. 12 but would like it strengthened to underline that ESF should support integrated territorial investments. There should also be a clearer direct reference to the role of cities, particularly with regards to General Regulation art. 99§3 and the possibility to designate intermediate bodies.