



MORE URBAN, MORE IMPACT

EUROCITIES OPINION ON FUTURE COHESION POLICY

EUROCITIES believes that a more active role of cities in the future cohesion policy is the only way to reach Europe's 2020 objectives of 'smart, sustainable and inclusive growth'. This will not be achieved without **smart, sustainable and inclusive cities**. Cities account for 75% of our population, 80% of energy use and 85% of Europe's GDP.

If we want Europe to maintain its economic competitiveness in this rapidly changing world, to deliver a high quality of life for our 500 million Europeans, we must invest in our cities so that they perform economically, socially and environmentally, driving the development of their regions and countries for the benefit of all. Cohesion policy is a key instrument at the strategic, EU level to support those goals.

For future cohesion policy to be effective, efficient and enduring, we need an **ambitious urban agenda**. This means:

1. An ambitious urban programming

Main funding programmes must involve an ambitious urban dimension to delivering thematic priorities, as well as offering more scope for integrated area-based measures, planned and managed locally. This could be done through urban operational programmes (OPs) or sub-OPs. These could be supported through global grants or similar funding instruments to delegate funding.

2. Tackling the realities in all our cities

Cohesion policy remains a development and investment policy for the whole of the EU, and should maintain its current architecture. The most substantial social and economic differences often exist between neighbourhoods within cities. This is an important reason why cohesion policy should be universal. It should realise the potential of all cities and regions, as well as tackle the economic and social disparities where they are at their starkest.

3. Cities at the table: strengthening multi-level governance beyond the regions

Cities must be involved in deciding on priorities and developing programmes of action to maximise their effectiveness on the ground. As the level of political representation closest to the citizens, our city leaders know how best to manage and coordinate actions to deliver results in their territories.

The Commission should elaborate guidelines for member states to work in partnership with cities, leaving it up to each member state to decide the best option according to their internal structure. For example each member state could draw up a list of cities in their own national

contexts that would be the key enablers and drivers to deliver Europe 2020 on the ground, namely those -

- cooperating strategically with their metropolitan areas;
- driving growth and innovation for their regions and beyond;
- acting on urgent and long-term climate challenges; and
- actively facilitating inclusion and social mobility.

To address social and territorial cohesion, we need to exploit the synergies of social services with urban regeneration, with the digital agenda, transport, business support, employment and training. For many cities implementing integrated development the structure of EU policies and programmes can lead to sub-optimal use of EU funding. Better coordination between EU funds, in particular the ERDF and the ESF, would help join up physical, economic and social development at the local level.

4. Thematic concentration supporting new partnerships

Focusing EU funding towards a limited number of priorities achieves smarter spending and greater impact. However given the diversity across the EU, the thematic priority approach must include a degree of flexibility so that programmes can identify and tackle the realities at local and regional level.

We have been advocating the need to support a more variable geography and in particular the potential of functional areas with cities at their core, to drive forward integrated development in the wider area, in close partnership with the relevant stakeholders. This could be done through a mandatory partnership approach within each thematic priority. This would combine thematic measures in an integrated territorial approach by obliging managing authorities to identify in each case the appropriate functional area and the appropriate delivery partnership.

5. Financial engineering to design instruments with direct access for cities

Continuing a focus on financial engineering and developing new instruments will be crucial in order to maximise the potential of cohesion policy. There is scope to improve existing tools, as well as to develop new ones.

An ambitious urban agenda needs a JESSICA more fit for purpose: a clearer, more decentralised structure, with simplified regulations, allowing direct access by cities. The framework needs to be sufficiently coherent and flexible to adapt to national circumstances and must have a clear communications strategy.

6. Conditionality: keeping it urban and integrated

It should be a condition of the Commission's approval that member states can demonstrate that their cities were directly involved in drawing up National Reform Programmes and Development and Investment Partnership Contracts.

Wherever an integrated approach has a clear advantage over sectoral approaches, conditionality could be helpful. In such cases the level of evidence should be proportional to the size of the budget.

It is not feasible to cut funding off for cities due to the failure of national governments to implement agreed measures linked to the Stability Pact.

We have reservations about the performance reserve proposal given past experience and the potentially substantial administrative costs it could incur to allocate 2-3% of the budget.