



National study addressing urban  
specificities within the context  
of the regional operational  
programmes 2014-2020.

Summary of the final report



*Study commissioned by the General Commission for Territorial Equality, in association with the Association of French Regions.*

## Context of the study: the urban dimension of the European cohesion policy

### *The Europe 2020 strategy*

**The Europe 2020 strategy**, which was launched in 2010, represents the strategy followed by the European Union (EU) for the current decade. This strategy favours “**smart, sustainable and inclusive**” **growth**, and has set specific objectives to be achieved in five major domains: employment, research and innovation, climate change, education, and the fight against poverty; all European policies must contribute towards this. Moreover, the Europe 2020 Strategy proposes a thematic approach, which is based on **eleven thematic objectives** (TO) which mark the field of action of the European Structural And Investment Funds (ESIF).

### *The urban dimension of the European cohesion policy*

Within this context, **the urban dimension has been reinforced** in the current format of the European cohesion policy, which aims at reducing the differences in wealth among the regions of the EU Member States, and which has been implemented through the European Regional Development Fund (ERDF) and the European Social Funds (ESF). Therefore:

- **Article 7 of the ERDF Regulation** introduces the concept of integrated sustainable urban development (ISUD), to which at least 5% of the ERDF credit must be allocated via an integrated urban approach or by implementing Integrated Territorial Investments (ITI). The urban authorities shall be responsible for tasks relating, at least, to the selection of operations, and shall be designated as intermediate bodies, which need to perform specific functions.
- **Article 8** creates a new tool: “innovative actions in the area of urban development”
- **Article 9** provides for the creation of an urban development network
- **Article 12 of the ESF Regulation** also provides for additional contribution from the ESF in favour of integrated urban strategies.

### *The French approach of the ISUD: structuring with the urban policy*

The concordance of schedules of the 2015-2020 city contracts and the European funds programme from 2014-2020 is a unique opportunity for structuring these two initiatives in favour of urban development. The Partnership agreement, and the agreements between the Ministry of Urban Affairs and the ARF, ADCF, and the ADG have set an objective of **10% of the ERDF and the ESF in support of urban policy**, at the national level.

### *Objectives of the study*

In view of this new context and national commitments, the objectives of this study are to analyse **the manner in which the regional planning authorities are approaching the urban aspect** in the development of their regional operational programme, and particularly **the manner in which the urban policy and the concept of priority localities have been understood**. It also makes proposals in view of the forthcoming creation of the national urban network, a network for organising the urban dimension of the European cohesion policy, which will be steered by the CGET.

*Methodological precaution: the information given here is based on the documentary analysis of the operational programmes and of the documents pertaining to the urban dimension of the OP (calls for projects, framework agreements, specifications, calls for expression of interest, DOMO, etc.) and on the interviews of the regional planning authorities and the State services.*

*These observations must be compared with the urban strategy analyses which have been prepared and implemented effectively by the urban authorities.*

## Part I: Implementing the urban dimension of the Regional Operational Programmes

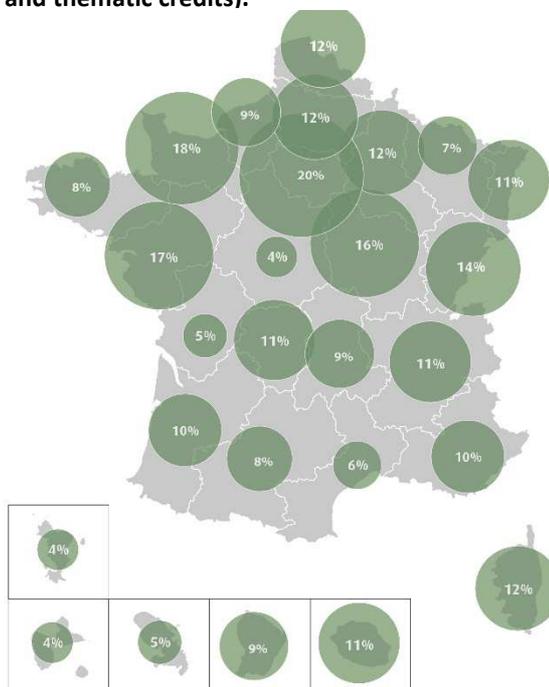
The term **urban dimension** refers to the ERDF and ESF credits of the OP allocated to integrated urban development, pursuant to the application of Article 7 of the ERDF Regulation and Article 12 of the ESF Regulation, in addition to the ERDF-ESF regional thematic allocations, and the national ESF credits allocated to urban zones.

*The amounts allocated to the urban dimension of the regional operational programmes.*

By aggregating this information, we obtain a total amount of **more than one billion Euros**<sup>1</sup> of ERDF and ESF credits allocated to the urban dimension of the regional operational programmes (**€879 million** of ERDF credits and **€113 million** of ESF credits). This allocation does not include the “common law” ESF credits of the national OP and regional OP which will consolidate the strategies throughout the programme.

This amount, which is double the amount allocated to the PUI (Integrated Urban Projects) for the 2007-2013 programme, represents 10% of the total allocations of the regional OP. This is a percentage on a national scale, the portion of the OP allocated to the urban dimension varying noticeably from one region to another.

**Part of the ERDF-ESF operational programmes allocation for urban dimensions ("Article 7" credits and thematic credits).**



### Lines of action for the urban network

- Monitoring compliance, at the national level, with the municipal and national commitments
- Understanding and respecting the considerable diversity involved in the process of taking into consideration integrated urban development at the regional level in its action plans
- Carefully and continuously monitoring the mobilisation of the thematic approaches of the ERDF-ESF OP and of the IEJ (Youth Employment Initiative) in favour of the integrated urban strategies
- Precisely measuring the intensity of European aid in favour of integrated urban development

### Implementation tools

Sixteen regions have chosen to mobilise Integrated Territorial Investments<sup>2</sup> (ITI) to implement integrated urban strategies, while eleven regions have opted to include an integrated urban approach<sup>3</sup> in their OP.

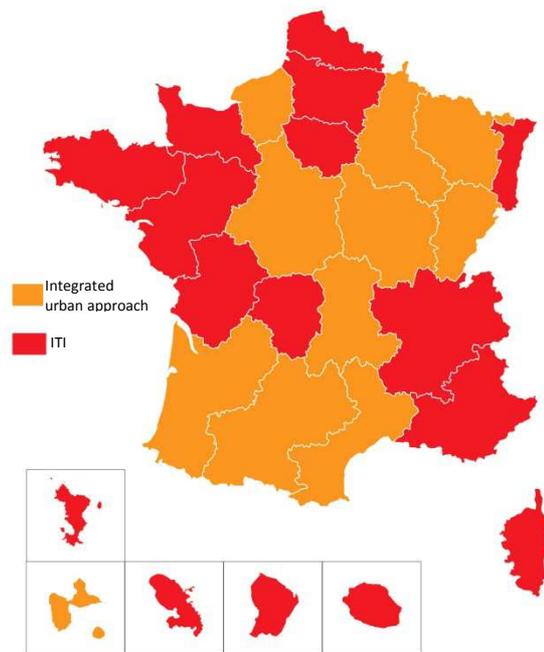
<sup>1</sup> Projected allocation, awaiting results from the AP or AMI, of the agreements and mobilisation of ESF credits throughout the programme.

<sup>2</sup>The ITI is an instrument that allows implementing territorial strategies in an integrated manner. The ITI allows the Member States to implement their operational programmes in a transversal manner, and to combine the budgets of several priority areas which are retained in one or several operational programmes to ensure that an integrated strategy is implemented in a given territory.

<sup>3</sup>An integrated urban approach is a key area of the regional operational programme dedicated exclusively to integrated actions in favour of sustainable urban development. This approach can cover thematic objectives other than those covered by the other approaches of the operational programme.

The distribution based on allocations made to the urban dimension shows that the Regions which chose the ITI have a bigger allocation than those who have chosen an urban approach. 59% of the Regions have chosen to implement ITIs, but they represent 70% of the total allocation made to the urban dimension, as compared to 41% of the Regions and 30% of the allocation for the integrated urban approaches.<sup>4</sup>

### Implementation tools



**Lines of action for the urban network**

- Responding to the specific requirements of each implementation tool: ITI and integrated urban approach.
- Accurately monitoring the planning of the ITI.
- Taking efforts to ensure alignment and communication in order to reach all territories involved in the integrated urban strategies (Interract'if, PISUD, ATI, SUI, etc.).

### Thematic coverage of the urban dimension of regional OP.

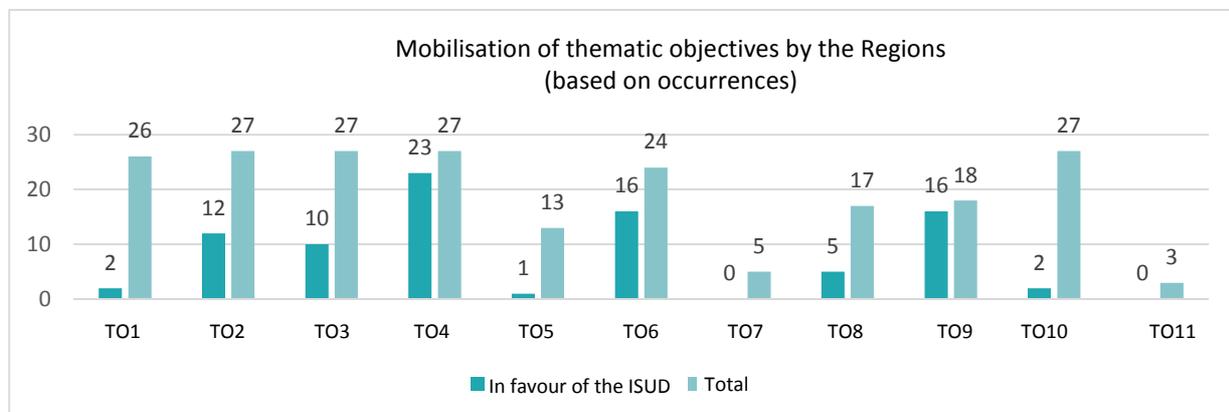
The analysis of the urban coverage of the regional OP reveals that the most retained thematic priorities pertain to:

- The environment (TO4 and TO6)
- Social inclusion (TO9)
- Digital uses (TO2)
- The competitiveness of SMEs (TO3)

The thematic TO4, TO9 and TO6 represent **approximately 80% of the allocations** for integrated and sustainable urban development<sup>5</sup>, which is explained by the corresponding investment priorities, which are specific for urban zones:

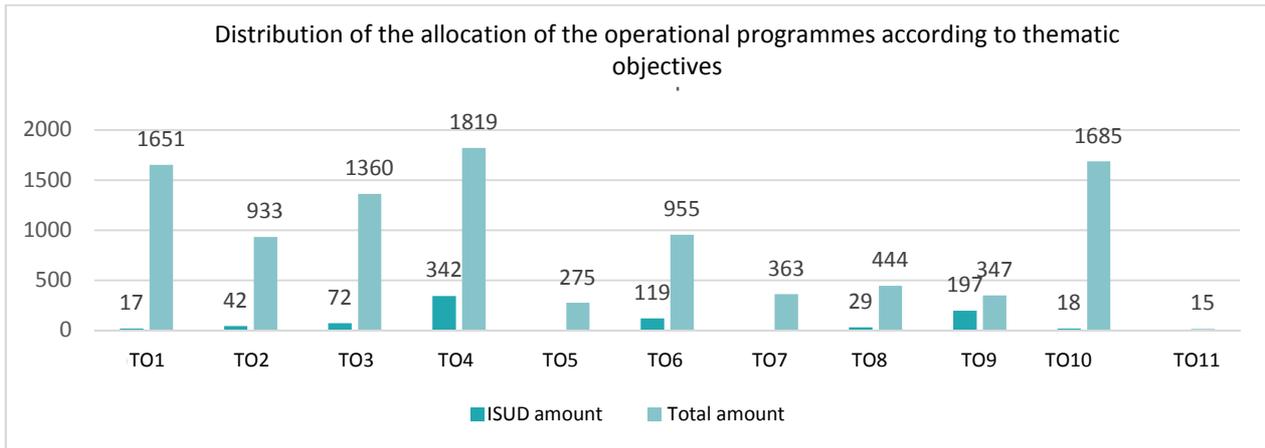
- PI 4c "energy effectiveness in housing and public infrastructures"
- 4e "sustainable mobility"
- 6e "improvement of the urban environment"
- 9b "urban redevelopment" (which specifically targets priority localities)

The preponderance of TO4 can also be explained by the obligation of **thematic focus**. The purpose of this obligation is to maximise the impact of the European funds by focusing them on a limited number of thematic objectives (TO1 to 4, including a minimum of 12 to 20% for TO4).



<sup>4</sup> These amounts are to be taken with caution, because the allocation to the ITIs is given for informational purposes while as regards the urban approaches, the allocation is set aside and defined in advance.

<sup>5</sup> At this stage, only 24 Regions have defined the distribution of the allocation based on the TO



### *The terms and conditions for the selection of territories*

The study leads us to believe that there are more than 150 leading players on the entire French territory, compared to 62 PUI (Integrated Urban Projects) in 19 regions between 2007 and 2013.

### The identification of territories eligible for the candidacy

In order to define the eligible territories, the Regions based themselves on the principles determined by the Partnership agreement, and have used complementary criteria according to their strategy:

- Focusing on the primary urban entities of the region
- Focusing on the EPCI (public inter-municipality cooperation establishments) housing the priority localities
- Combining several EPCI in metropolitan centres
- Focusing the allocation on a single municipality or EPCI

#### **To be retained for the national urban network:**

- Planning the implementation of thematic working groups among planning authorities and leading players who opted for the same thematic opening.
- Assessing in further detail, the effectively integrated nature of the strategies as regards the number of investment priorities retained and the agreements.
- Assessing the actual situation of the thematic opening of the city contracts offered by the mobilisation of European funds: integration of new issues in the city contracts, etc.
- Assessing the mobilisation of new partners within the context of the city contract or ISUD projects resulting from the thematic opening, and particularly as regards environmental issues.

### Selecting the candidacies

The terms and conditions of selecting projects for integrated urban development vary from region to region, since the planning authorities are responsible for defining the said terms and conditions, in compliance with the principles determined in the Partnership agreement. There are four specific cases:

- Once the OP are drafted, a **closed list** is defined, appointing the future leading players, with or without the publication of a call for projects, a framework agreement or specifications, to guide the strategy development process
- Launching the **calls for expression of interest and/or restrictive and selective calls for projects**
- Selection of the dossiers **during the planning**

### Public service contract

Lastly, several regional planning authorities are planning on contractualising their commitments as regards the chosen sites by signing **framework agreements**. This is a major development compared to the PUI of the 2007-2013 programme, which had not always been formalised in this manner.

#### **To be retained for the national urban network:**

- Identifying and capitalising on the terms and conditions of selection for the strategies, then implementing innovative actions, mobilising citizens, economic players, etc.
- Providing specific support to the new entrant Regions and/or leading players
- Planning discussions which may be common or specific for the various players: planning authorities, leading players, etc.

## PART II: Contributions of the urban dimension in relation to other national public policies and structuring with other European funds

### *Territory of the project and its governance*

The mobilisation of European funds within the context of their urban policies engages the territories as regards an integrated approach with:

- **A widened scope of action** which consists of several scales: the urban area which is the pertinent scale for the development of the strategy, the municipality, residential locality, the priority locality;
- **A facilitated thematic opening**, which adds value to the city contract;

**Governance at the level of the EPCI, shared and partnership-based**, which brings together various players, particularly for the selection of operation. It must be noted that several regions have chosen to propose an **integrated contractualisation**. In order to achieve consistency and synergy of the European funds with the other finances, the European funds (under the heading of ITI and also other approaches of the programme and other European programmes) and the national, regional and infra regional funds have been contractualised in the agglomeration or territorial contracts.

-

### *Structuring with the urban policy*

Urban policy is a key component of the ISUD, across the European dimension of city contracts. While all Regions pay particular attention to priority localities, the European funds are not always exclusively directed towards the urban policy:

- in **10** regions, the urban dimension of the OP corresponds to the **European dimension of the city contracts**
- in **8** regions, **a part of the credits dedicated** to integrated urban development is **directed towards the priority localities**
- in **9** regions, **it is necessary to only take the priority localities into consideration** in the strategies (medium-sized cities with the least problems concerning deprived localities, facing increasing peri-urbanisation, etc.)

### *The inter-fund concept*

#### **Mobilisation of the ESF “education, training”**

Mobilisation of the ESF “education, training” can be simplified by the fact that it is managed by the Regional committees as part of the same operational programme as the ERDF.

As regards its mobilisation, there are three levels of ambition of the regional planning authorities:

- **Setting aside ESF credits following the commencement of the planning**, intended for integrated urban strategies;
- **Displaying an objective of mobilisation of the ESF**: several regions have clearly targeted a mobilisation of 10% or more of ESF credits within the context of the urban dimension;
- **ERDF-ESF structuring during the planning**

It is generally possible to observe an even bigger compartmentalisation between ERDF and ESF as regards the ISUD, particularly owing to the differences in the planning and targets of the two funds. The joint mobilisation of the ERDF, the ESF and the IEJ is a complex operation.

#### **Mobilisation of the ESF “employment and inclusion”**

The Partnership agreement states that **10% of the ESF “employment and inclusion” credits** (monitoring objective) must be allocated to the ISUD. The framework agreement between the Assembly of the Departments of France and the Ministry of Urban Affairs provides for the mobilisation of 10% of the credits of the “Inclusion” section of the national ESF OP to the benefit of the urban policy. The decentralised sections of the national ESF OP shall be used to finance actions that support this policy.

However, the structuring of integrated urban strategies and the ESF “employment and inclusion” shall be carried out indirectly since the national ESF OP does not allow the mobilisation of the ESF within the context of the ISUD. Monitoring and justifying the share of the ESF directed towards integrated urban strategies, and particularly towards priority localities, is a complex process, and shall require special supervision.

#### **The mobilisation of the European Agricultural Fund for Rural Development**

Only one Region has planned for the mobilisation of an EAFRD (European Agricultural Fund for Rural Development) allocation in connection with the ERDF dedicated to the urban dimension, within the context of the agglomeration contracts. Structuring with the LEADER (Links between actions for the development of the rural economy) approaches is also expected in regions where the project territories overlap. Several regions have thus defined dividing lines between two approaches.

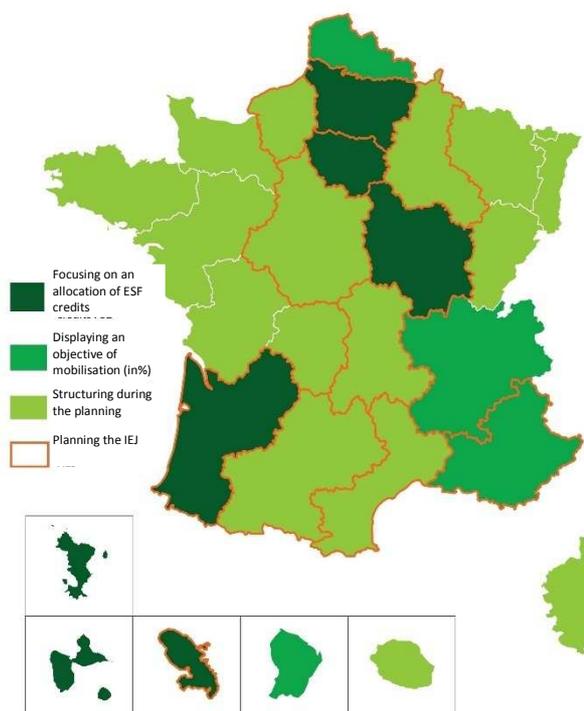
### *Structuring with the CPER (State-Region planning contract), other contractual devices and regional plans*

#### **Structuring with the CPER**

Structuring with the CPER is mostly done at financial level (co-financing projects, primarily pertaining to urban redevelopment), and at strategic level, the CPER do not propose particular strategies in favour of priority localities. Moreover, the divergence between the timelines of the drafting of the CPER and the OP did not facilitate their combination.

#### **Structuring with other contractual devices**

### **Mobilisation of the regional ESF in favour of the urban dimension**



It must be noted that several regions have chosen to propose an **integrated contractualisation**. In order to achieve consistency and synergy of the European funds with other funding, the European funds (under the heading of ITI and also other approaches of the programme and other European programmes) and the national, regional and infra regional funds have been contractualised in the agglomeration or territorial contracts.

**To be retained for the national urban network:**

- Monitoring the progress, at the national level, of the ERDF planning for the benefit of urban areas and priority localities of the urban policy
- Organising time slots for working and for the discussion of specific experiences for the EPCI, which have a city contract which includes an affirmed urban dimension
- Opening the activities of the network to the problems related to the urban policy and other policies which have a territorial impact
- Identifying and assessing the structuring of various European, national, regional and departmental contractualisations
- Identifying and capitalising on innovative inter-fund strategies and monitoring the mobilisation of the ESF and EAFRD in favour of integrated urban strategies
- Deepening the urban-rural connection, by encouraging good practices
- Identifying and monitoring convergences between regional plans, the CPER and integrated urban policies

### PART III: Monitoring, managing and capitalising on the urban dimension of the European cohesion policy

#### *Regional management systems*

All Regions have provided for support in the candidacy drafting process, which have taken various forms: collective meetings involving presentations of the approach, seminars, thematic workshops, individualised monitoring, publication of a guide, etc.

As regards the management throughout the planning, there are several levels:

- Identifying one or several points of reference within the Regional Committee departments, tasked with monitoring and managing the urban dimension.
- Implementing management systems dedicated to the urban dimension: organising meetings with intermediary bodies, organising annual milestones, providing support for setting up projects or for creating a new regional network.

In certain regions, the support has been shared with the city contracts. It is mostly the regional teams that are responsible for the management, but the political resource centres of the city have been mobilised in several regions.

#### *The national urban network: the requirements identified by the planning authorities*

While ensuring the association between the regional planning authorities and the decentralised services of the State, particularly those in charge of managing the ESF, the “leading player” urban areas shall be the primary beneficiaries of the network. The planning authorities have identified the following requirements:

- **Sharing and exchanging based on the implementation of integrated urban strategies:** valuation of good practices, benchmark, meeting and discussion time, time for reflection, thematic groups
- **Awareness raising and communication role:** valuation of the integrated approach, explanation of the new tools, etc.
- **Operational support:** sharing tools, regulatory monitoring, time for exchanging ideas about the terms of the planning, valuation of good practices in the implementation of actions which are part of the integrated strategies as well as in the terms of governance, monitoring, etc.
- **Monitoring and assessment** of the implementation of the urban dimension

- **European opening**, particularly by proposing a relay towards the URBACT programme, towards other community programmes of the innovative urban actions type or towards the Juncker plan.