

FIN-URB-ACT

Thematic Paper IV

Cities and Managing Authorities – A Pathway to Partnership



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Topic: Cities and Managing Authorities - Pathway to Partnership

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I Presentation of the Portuguese System

In Portugal, there are three national thematic Operational Programmes and five regional Operational Programmes for the single regions in continental Portugal (financed by ERDF). The thematic Operational Programmes are

- '*Competitive Factors Thematic Operational Programme*' (ERDF),
- '*Human Potential Thematic Operational Programme*' (ESF),
- '*Territorial Enhancement Thematic Operational Programme*' (ERDF and Cohesion Fund).

During the seminar, the representatives from the CCDRC (Comissão de Coordenação e Desenvolvimento da Região Centro; Managing Authority from Aveiro) presented an initiative called '*Incentivos QREN*' (QREN = Quadro de Referência Estratégico Nacional = National Strategic Reference Framework = NSRF) which has an integrative character by bundling these different above mentioned OP.

The idea behind '*Incentivos QREN*' initiative is to avoid the disadvantages of specialised programmes, - which is, that one has to narrow focus. If there are specialised funding sources it is difficult to widen the source for more integrated projects as each source has its own rules. The strategy was now, to put different sources together, to combine different funding conditions.

'*Incentivos QREN*' has three main pillars:

- Incentive scheme for research and technology development (enterprise research and development)
- Incentive scheme for Innovation (productive investment in innovation/entrepreneurship)
- Incentive scheme for SME qualification (intangible competitive factors)

Besides these horizontal schemes, the initiative promotes the development of collective efficiency strategies:

- Competitiveness and technology poles (CTP):
- Cluster Strategies
- Regional development strategies
- Urban development strategies

The aim of this collective initiatives is to promote co-operation and networking between enterprises, and between enterprises and those actors who are involved in the development of the sectors to which they belong and the regions where they are located.

The incentives initiative offers an overall platform for interested projects and companies – and the project submission in the thematic field of the initiative (see above) can be handed in on the incentive internet portal. The responsible actors there decide – according to the size of the enterprise – which Operational Programme is responsible for the application. The medium and large enterprises' application are covered by the national thematic OP and the applications from micro and small enterprises are covered by the regional OP. The project assessment will not be done by the Managing Authority itself, but by specialised public agencies (IAPMEI, Turismo Portugal, AICEP, ADI). In a second step, a Selection Committee composed of the specialised agencies, the national thematic OP and the regional OP, decide on the financing of the project. Based on this, the Managing Authority gives the official approval of the project. To ensure efficient work of the project, again the specialised agencies together with the MA support the project in the follow-up work.

II Excursus: Presentation of the North-Rhine Westphalian System

In the context on how to structure an exchange platform or a dialogue between cities and Managing Authorities, a case study from North-Rhine Westphalia (NRW) could be interesting for the FIN-URB-ACT city partners. Therefore, Christian Huttenloher (DV) presented the good-practice of the 'Soziale Stadt' city network NRW (a network of cities which took place in the North-Rhine Westphalian urban regeneration programme 'Soziale Stadt').

During the regeneration programme, both the cities but also the Ministry for Transport and Construction of NRW, responsible for integrated urban redevelopment funding, recognised that the exchange of experiences and problems in the context of the urban regeneration programme needed to be intensified – and they decided to create a platform to strengthen this discussion. Thus, the cities set up such a network

The city network is a platform for exchange of information and knowledge, a platform to launch new impulses and ideas for local activities and a platform to reflect approaches. The focus of the discussions is not an overall one, but is clearly concentrated on a specific issue – integrated revitalisation of deprived neighbourhoods. The network provides because of its regular meetings a lasting platform for discussion. Moreover, the network is used to involve the cities into the development and implementation of national, regional and European urban development programs in an informal way.

Official partners of the network are cities with the background of 'Soziale Stadt' and the network has an official cooperation agreement with the 'Ministry for building and transport of NRW'. This cooperation agreement includes regular contact between the cities and the ministry, especially with the department responsible for integrated urban development. The agreement also includes the involvement of the county level, responsible for approving the regeneration programmes. Therefore, the meetings are joined by actors ranging from representatives from urban quarters up to actors from the regional ministry.

Besides the cities and the ministry the network further includes the NRW Association of Cities as a representatives and multiplier for other cities. Moreover, there is a scientific cooperation between the network and two urban research institutes from national and regional level.

With the urban development funding being provided more and more by EU structural funds, the city network also took on board the discussion and reflection of EU funded urban measures. Therefore besides the Ministry for transport and Construction NRW, as intermediate body of the EFRE funds dedicated to urban development – also the Ministry for Economy of NRW as Managing Authority is becoming involved in the network activities, however on an informal way. The success and influence of the city network can for example be seen by the fact that one network representative is guest in the inter-ministerial ERDF project selection committee which reflects and decides on program planning and implementation.

In recent years, the network in general opened its focus on European issues. In this context, the network was able to link itself with other networks. To do so, single network cities work as a link between the network and further networks, like the city of Duisburg, which builds a link to the URBACT network 'RegGov' or Dortmund and Duisburg, which build a link to the German-Austrian URBAN network.

There are several aspects which can be interesting to adapt when discussing the relationship between cities and Managing Authorities:

One crucial aspect is the idea that there is not a privileged bilateral partnership between one city and a Managing Authority – which will probably not work in most of the regions – but a group of various representative cities. It is a transparent partnership and an open process. As it can be seen from the example in NRW, those city networks can become powerful (joint OP planning process) and as they are rather heard by the ministry than a single city.

A second aspect is the two way communication process – a top-down and a bottom-up communication. The bottom-up communication would report on local experiences and capacities for developing and adjusting national/regional SME support to local needs. The top-down communication would make sure, that cities and other organisations are informed on funding and support opportunities from national/regional and EU programmes.

III Discussion

Rome: The city has to take action to improve the relationship to the MA. If the city is pushy the MA has to react. In Rome, the city is pushing a lot – but for now only on the technical level and not yet on the political level. The efforts by the LSG of Rome was to convince the administration to invest in the relationship with the MA. It is necessary to give more involvement and to work on the relationship: It is not enough to only have the meetings with the MA. Most of the work takes place between the official meetings – preparation and follow up.

Galati: Galati as well is proceeding with its relationship to the MA. Costel emphasizes the value the FIN-URB-ACT project offers for the relationship between the city and the MA: With the FIN-URB-ACT project, the city and the MA now have a platform they can use for discussions and exchange, which would not be possible in the day-to-day work.

Aveiro: Portugal has a special structure, where on national level the URBACT coordinator insisted that the MA joins the networks. Therefore the LSG meetings showed strong impact so far.

Moreover, Aveiro points out several aspects:

- If the MA did not talk to cities when they build up the Operational Programmes of the Structural Funds there is much more work later on.
- There is the general necessity, that if the MA does not join the LAP production, the LAP will be just words. Therefore, Aveiro informs the MA on every meeting (and its results) they held, so the MA can evaluate the process. So, if they disagree on the process, they can not say at the end of the process, that they had no idea before.

Edinburgh: Also in Edinburgh the MA joins the LSG, but they are not bound in it. The wish of the city is to work with them, but the city can not dictate the MA to join – but the city can feedback information.

There was a strong discussion on the question of **how do cities of an URBACT programme dare to influence the Operational Programmes of the region.**

- (1) One first argument was, that is has to be clear that the OP are for all cities in the region. Why should the URBACT cities be privileged?
- (2) An argument against this latter one, was that one has to keep in mind, that the single URBACT cities should not do it because of their individual interest, but that they should stand as the 'cities in general'.
- (3) The relationships between single cities and MA should not lead to a competition between single cities but to a partnership of single cities which together discuss with the MA how procedures and focuses could be improved.

It is not only the FIN-URB-ACT network, which faces challenges in strengthening the link to the MA. Probably the URBACT Secretariat is quite aware of these challenges – that is why they don't put a too strong emphasis on this topic – but they will further foster this topic as they have to proof their activity on this topic against the Monitoring Committee, who asked for a stronger linkage to the Structural Funds Programmes. An easy linkage to the MA was wishful thinking at the beginning of the URBACT II programme, but the URBACT Secretariat will have to point out, why it was difficult.

Dr. Blatt (in his function of a former member of the URBACT Managing Authority): It was not the idea of the URBACT Managing Authority to give the URBACT cities a privileged position. It was rather the idea that – by working in an URBACT project – the cities can prepare themselves that well (by elaborating efficient strategies and Local Action Plans) during three years that they might be more successful in getting access to existing funding sources of the OP. And it has to be clear, that the idea was to get access to existing funding sources in the OP and not, that the OP will be changed, because the cities asked to. By preparing a LAP – which is based on a partnership and political will – the cities prepare a concept which they can present to the

MA of the Operational Programme. They can prove, that they are ready to implement this, but that they need lot of support to do so, and that's why they ask for support from OP.

DV (Christian) pointed out that in Brussels in the current discussion of the future orientation of the Structural Funds there is a new word, which is quite popular at the moment. The idea is that activities need to be 'place based'. Right now, it seems that local orientation will get a higher dimension in future – and cities can play a stronger role.

The partnership asks the Lead Partner and the Lead Expert to raise three questions during the upcoming Thematic Pole meeting:

- 1) How to further cities share the network's ideas to further cities?
- 2) How is it possible to raise visibility on the cities ideas?
- 3) Ask the other networks, if there are problems in the relationship with the MA as well, or is FIN-URB-ACT the only network?

IV Conclusions

The discussion raised several important concepts:

1- The Regional level gives a capacity for advanced financial engineering:

In Portugal, the Managing Authorities can combine various sources of funding (European and national) in 3 Operational Programmes to cover more subjects to support the businesses. Then with the QREN initiative, they have designed a platform that has access to the 3 Ops to better meet the businesses requirements.

They also included technical expertise in their partnership for a professional assessment of the applications for funding.

We could imagine that this platform could also enlarge its sources of funding by taking on board private investors and/or local public/private partners. It could also set up a Jeremie project if additional financial expertise was required.

This flexibility is made possible by the regional dimension that gives a critical mass that the local level cannot reach alone.

This capacity has also been illustrated with the loan guarantee funds that are not sustainable at local level (too small) but that can operate profitably at regional level.

2- The regional consultation platform

In NRW the cities in coordination with the MA have set up a consultation platform for the implementation of a support programme for disadvantaged areas involving the regional ministries, Municipalities and the Counties. Since projects are designed locally, this system ensures that the support scheme, which is managed at regional level, is well in line with the reality and that local actors are well informed of the funding possibilities. It also offers the possibility to use technical expertise for the assessment / improvement of the applications.

It will be interesting to study the composition of this consultation platform more in detail, in particular how all concerned Cities could be represented without having too many members in the platform. If it proves feasible, it could also be interesting to study the possibility to set up such platforms for the OPs covering the SME support schemes.

As the concrete structures and working procedures of this network could not be finally clarified without having a representative from the network, it is decided to invite the City of Duisburg as member of the network and Lead Partner of the URBACT project Co-Net that explicitly works on the relation with MAs.

3- Cooperation can only exist if there is a political will on both sides

Rome is currently working on this very important aspect: of course, with a limited number of partners, as it is the case in the Lazio Region with the City of Rome making the most of the Region, the negotiation can be conducted more easily (at least at the level of the "sherpas" who prepare the draft for the agreement) and this is the reason why the network will follow up Rome's action plan with great interest.

4- URBACT projects can provide a framework for testing cooperation

Galati has taken the opportunity of the FIN-URB-ACT project to set up a cooperation platform with the 3 Managing Authorities in charge of / concerned with SME financial support. It is a new dimension for the

projects that can also be very valuable for other subjects and it is a reason why this LAP is so important as it could represent one of the main recommendations of the network.

An important issue is the question of sustainability of the platform so that it survives after the URBACT project is ended.

URBACT II

URBACT is a European exchange and learning programme promoting sustainable urban development.

It enables cities to work together to develop solutions to major urban challenges, reaffirming the key role they play in facing increasingly complex societal challenges. It helps them to develop pragmatic solutions that are new and sustainable, and that integrate economic, social and environmental dimensions. It enables cities to share good practices and lessons learned with all professionals involved in urban policy throughout Europe. URBACT is 181 cities, 29 countries, and 5,000 active participants

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