

# FIN-URB-ACT



## Thematic Paper VII

Cities and Managing Authorities – A Pathway to Partnership



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Topic: Cities and Managing Authorities – Pathway to Partnership

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### **Upper Austrian Operational Programme and Structure**

The main topics of the Upper Austrian technology programme are research and development, professional qualification, creation of networks, business and technology location in Upper Austria and EU Networking.

The objectives for the next future is to increase the expenditure share of R&D to 4% of the GDP till 2015, establishing a new research area in the field of energy efficiency, international visibility of the research area mechatronics and process automation, increasing the number of engineering and natural sciences graduates (Johannes Kepler University Linz), promoting of interest among young people in technical professions (Power Girls, Technikbox), increasing the numbers of students studying abroad, further developing the cluster- and network-initiatives as a competence centre for cooperation and to enhance the support for creative businesses.

Due to the financial and economic crisis the government has started additionally an economic stimulus package, which includes, among others, a focus on research and development, qualification measures, investments in thermo refurbishment of public buildings, public transport and investments into the tourism and leisure sector.

### **The Operational Programme of Upper Austria Regio 13**

The Operational Programme of Upper Austria 2001 – 2013 is called “Regio 13” and includes three overall objectives.

1. Strengthening the competitiveness and innovation potential of the regional economy
2. Keeping Upper Austria as an attractive region
3. Increasing research and development expenditure to 4% of the GDP

Within this, there are two priority axes aiming to enhance the support for knowledge base and innovation and to make the regions attractive for the competition. The priority axis “**Innovation and knowledge base**” fundings for the following field of actions:

- non-university research organisation
- competence centers
- innovative investments
- networks and clusters
- industrial research and development
- entrepreneurship (fostering creation of new firms and existing ones), venture capital (for high-tech-oriented companies)

The second priority axis on attractive regions includes:

- Sustainable location and regional development
- Renewable energy and energy efficiency
- preservation and promoting the cultural heritage
- Urban development of the capital Linz

The relationship between the City of Linz and the Managing Authorities seems to be consolidated, as the city was involved in the planning process of the programme at an early stage. Moreover, Upper Austria has developed a stable cooperation culture among different stakeholders. Thus clear responsibilities and procedures could be established. Besides, there are existing stable contacts on administrative and on political level, which is also related to the medium size of the city.

The Network approach is defined as self-contained policy within the first priority axis of the Regio 13 Programme. Among the four funded networks (the management costs for the network/ and cooperative innovation projects among SME can be co-funded by the ERDF) the Upper Austrian “Network Design and Media” is of particular interest for the creative industry. Within this network projects like “creative community” are running to foster the cooperation among SME from the creative industry sector. The network is conducting general communication activities or seminars with topics tailored to the needs of SME from this sector (for example “how to tackle financial and social insurance issues”) or to launch e.g. cooperation projects among designers and handcraft businesses.

## **II Excursus:**

### **A) Case Study from North-Rhine Westphalia**

At the beginning of the session, the different scenarios of cooperation with Managing Authorities and cities have been named. One cooperation model can be on a formal agreement, and a second one can be a case by case approach which is not formal. So far cooperation has been set, two models of organisation can be applied, that were introduced to the FIN-URB-ACT Network. One can be through a direct contact between the regional administration and the city (as it is the case in Rome) and secondly, there is the possibility on creating a network of cities in order to communicate as “one body” to the Managing Authorities.

In the context on how to structure an exchange platform or a dialogue between cities and Managing Authorities, Christian Huttenloher (DV) presented a good practice city network which is called Städtenetz “Soziale Stadt NRW” at the previous meeting in Aveiro. As completion Brigitte Grandt from the city of Duisburg illustrated in Linz the cooperation structure between cities and Managing Authorities for using the structural funds.

For understanding the System in North-Rhine Westphalia it is necessary to explain the constitutional structure of Germany shortly: The constitutional structure consists of three managing administrative bodies, which comprise the Federation (national) Land (regional) and the local authority. However, the system is organised on five different levels (Federation, Land, Administrative District, County and Town). Additionally, nearly all bigger German cities combine as a self-governing body (city) the competences of a county and a town, which is the case in Duisburg as well. Thus, constitutional structure is not purely hierarchical. Moreover, the responsibilities are

set parallel and coordinated vertically. Regarding the administrative competences for urban policy, all of the three main bodies are involved. Due to the guarantee of the self-government, the cities have a quite strong position.

During the running EU funding period 2007 – 2013, North-Rhine Westphalia is part of the objective two area with an operative programme that is based on three main columns:

- Strengthening the basis of businesses (includes financial and non financial support for SME and start-ups),
- Innovation and knowledge based economy (support of knowledge and research infrastructure) and
- Sustainable urban and regional development (development of deprived urban areas and overcome of development restraints).

A critical tool in priority axis three is the development of an “Integrated Local Action Plan” (ILAP), which combines different measures by different cross-departmental players. In order to obtain funding from the Operational Programme, ILAPs are developed by the municipalities and are assessed by the regional government on the basis of guidelines. Based on the ILAP an intergovernmental committee approves every year a certain number of projects. However, it is possible to modify and adjust the ILAP during the running Period. In order to provide transparency, a schedule of all approved projects is published annually by the regional administration. In order to create consistency, Duisburg is moreover elaborating strategies to guarantee sustainability and a long lasting success.

Based on the particular ILAP, three different city networks in North-Rhine Westphalia focus on specific aspects of urban policies and two further networks focus on European policies. The networks are funded by the regional ministry and are linked to the respective programme strands of the ERDF programme. The networks main objectives contains the exchange of information and ideas, monitoring and evaluation of the funding, guidance for new cities, the reduction of extensive competition and the enhancement of intermunicipal cooperation. With the help of the networks, there is a possibility to interlink the Managing Authorities and to involve them into the cooperation, which is an important aspect.

One Example of a city network that was introduced by Duisburg is “Socially Integrative City North Rhine Westphalia” (Städtenetz Soziale Stadt NRW), where around 30 cities with more than 50 neighbourhoods are bounded. This Network is part of the Federal Lander programme, were EFRE is settled. Within the frame of this city network there is an internal initiative named “North-Rhine Westphalia Fit for Europe 2009 - 2011”. This initiative, which is coordinated by the city of Duisburg, was launched in order to strengthen the European dimension. Thus, among others, NRW is active in the German-Austrian-Urban-Network and the European URBACT-Network. With the production of “Good Practice” brochures and the designing of an exhibit for international conferences NRW’s Urban Development Policy is aiming to be present on Europe. In addition thematic workshops as well as an international conference on the European topics are conducted in 2011.

## **B) Cities and Managing Authorities, an example from Liverpool**

As second example for a cooperation model Martin Eyres from the Liverpool City Council presented an uncommon, however very innovative approach to the Managing Authorities within the frame of the Liverpool Neighbourhood Regeneration Programme (LNRP).

The background of this approach is the 2000 – 2006 Merseyside Objective One Programme. This included an allocation of almost 140 Million € with a priority axis on “Developing Community”. Despite strong efforts, the Managing Authority (Govt Office for the North West) was unable to secure sufficient quality proposals, and became concerned that the funding would either be not used or have to be allocated elsewhere as merely a few applications were submitted. Thus, the

GONW approached the five Local Authorities in Merseyside to see if, and in which respect they may help to tackle the issue. Thereupon, the Liverpool City Council made a project proposal, whereby 50 Million € from the Objective One funding would be devolved to the city from the Managing Authority. The city council was then to pass this on to multiple community based applicants or projects. The legal basis for delegation of funds was a grant funding offer letter for a project – it was not for a “programme” or “action plan”. Thus, the LNRP was established.

The Liverpool Neighbourhood Regeneration Programme had an amount of 100 Million € and was funded half by the ERDF and ESF and half by match funding from the Liverpool City Council. In effect the money from the structural funds was matched at source from the Liverpool City Council, which meant that the 50 Million € from the structural fund could be allocated to the LNRP projects without the need for the project to have match funding. Thus the money from the ERDF and the ESF was passed to circa 75 schemes.

The outputs from the various LNRP project were collated by the Liverpool City Council and were reported collectively to the Managing Authority. Finally the LNRP project generated formidable outputs. Among others it has set 5.300 residents into employment, set 2.400 residents into full time education and secured to 2.300 residents new qualifications. In total 30900 persons benefited from the project. As managing tool a multi level stakeholder group (LNRPG) was established, which was consisting of 10 community representatives and 10 representatives from the city or the public sector. The remit of the representatives from the community was to identify activities that were required to meet identified needs of their community and the respective neighbourhood area. The role of the LNRPG was to agree what activity would take place, at what level would it be delivered, how it would be delivered and who would deliver it.

The innovative aspects included that all funding was awarded as 100% grant to projects and activities with no requirement for the delivery organisations to provide match funding. Additionally there was no bidding, as all activities were commissioned by the LNRPG. Moreover, there was a pre-qualification procedure for all potential delivery organisations. The outputs were reported directly to the Managing Authority at the LNRP project level. Therefore it was possible to commission activities that did not generate ERDF outputs.

For the projects consent a two stage appraisal was followed. First there was a technical appraisal by the city which included the eligibility, the costs, competences and a value for the money. Second a strategic appraisal was accomplished by the local community – neighbourhood partnership on the approach, the understanding of local factors and the past performance. Additionally the LNRPG made recommendations and the Liverpool city council Executive Board made the final decision and awarded the contract.

With the Liverpool model additionally some further good practices have been developed. A Monitoring and Evaluation Team, based in the city council, was established to visit the projects and to undertake systems audits to identify compliance issues. There was also an independent support team, which was employed by the community and voluntary sector to build capacity and to help the schemes to resolve compliance issues. At the end there was an enlightened approach by the Managing Authorities and willingness was shown to work at the macro level. This has overcome some of the perceived “obstacles” and enabled a genuinely bottom up approach to local area based regeneration.

**Conclusions:**

- Cooperation platforms between cities and MA can have various forms: in NRW, we had the example of a multi-city platform whilst in Liverpool there was an ad hoc platform between the MA and the city to design and monitor the local programme.
- The European Commission does not freeze the procedure for the management of structural funds there is the possibility of innovative procedures. Therefore, we need a strong cooperation and trust between the city and the Managing Authorities.
- We have the possibility to use the city matching funds, globally at programme level, not necessarily at the level of each individual project.
- The ex ante control must not be the rule: the ex post control can be efficient as well.
- The Public procurement procedures do not necessarily exclude the local involvement and preferences.
- Building capacity for the local stakeholders should also be considered when designing projects (and included in the budget).

## 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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