CIA 7 is a network of European cities, funded by the European Union in the frame of the URBACT III Programme. The CIA 7 partners have a common need to improve the implementation of their existing integrated urban strategies or action plans under Article 7 of the ERDF regulation. New tools of implementation and funding of interlinked actions for integrated urban development have been introduced. Managing Authorities and cities need to act as partners to fulfil the objectives developed in the Operational Programmes. Innovative approaches of multilevel governance and co-operation have to be applied and shared. The step from planning to implementation and funding with shared responsibilities is a joint policy challenge the partners of the CIA 7 URBACT Implementation Network are exploring.
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INTRODUCTION

The State of the Art is the first part of the Baseline Study on the CIA 7 network which also includes the Partner Profiles and a Synthesis. It reflects on the experiences and debates of integrated urban development which became the reference framework of the current European funding period 2014-2020. The focus is on Article 7 of the ERDF regulation which introduced innovative tools of implementation and funding of interlinked actions. Managing Authorities (MA) and cities in this context need to act as partners to fulfil the objectives developed in the Operational Programmes. Innovative approaches of multilevel governance and co-production have to be applied and shared. New roles have to be tested based on an analysis of interests of the involved stakeholders in the decision-making processes.

The step from planning to implementation and funding with shared responsibilities is a joint policy challenge which all partners of the CIA 7 URBACT Implementation Network are exploring. The exchange and learning activities on the promotion of attractive and strong urban areas and social inclusion in a way that enhances the quality of the natural and physical environment and the quality of life of the inhabitants will develop around this common policy challenge.

The urban dimension of cohesion policy in the programming period 2014-2020 has been strengthened by new instruments in the Operational Programmes for sustainable development in cities. An allocation of a minimum of 5% of the national ERDF envelope was foreseen for this purpose with Article 7 of the ERDF regulation N° 1301/2013 (European Commission 2013a). From a recent DG REGIO overview, the total allocation is about EUR 14.5 billion which is 7.8% of ERDF, exceeding the minimum clearly. Half of the Member States spend much more than 5% (Matkó 2016). Many expectations are being raised on these new instruments in terms of efficiency and improvement of the implementation of sustainable and integrated urban policies and practices, also in terms of governance empowering cities by delegating some MA functions – at least project selection.

The ‘integrated approach’ has become a recurring topic in European cohesion policy developing over more than two decades. The Urban Acquis (2005) based on the experiences with the Community Initiative URBAN I (1994-99) and URBAN II (2000-06), the Leipzig Charter on Sustainable Cities (2007) and later the Toledo Declaration (2010) laid the ground with the definition of principles of integrated urban development. This philosophy fostered and structured a debate on a stronger role of cities and the needs of integrated urban regeneration in European mainstreaming.

From a European overview five years after adopting the Leipzig Charter emerges a general shift towards integrated approaches, even though with different speeds and activities. “This can be attributed to the fact that there is no single urban model in Europe – environments, problems and potentials differ not only from country to country, but also from city to city. On top of this, urban policy has a different relevance in the various EU member states, its candidate countries as well as in Norway and Switzerland, and is therefore not supported to the same extent at national level.” (BMVBS 2012, p. 21)

In his 2009 report for the European Commission Fabrizio Barca argued that an integrated territorial (or place-based) approach should be used to revitalise cohesion policy, helping the EU reach its economic and social objectives. “A place-based policy is a long-term strategy aimed at tackling persistent underutilisation of potential and reducing persistent social exclusion in specific places through external interventions and multilevel governance. It promotes the supply of integrated goods and services tailored to contexts, and it triggers institutional changes.” (Barca 2009, p. VII)
Facing the economic crisis, in June 2010 the European Council adopted the Europe 2020 Strategy for smart, sustainable and inclusive growth which was also the economic policy background for the 2014-2020 EU budget (European Commission 2010). Cohesion policy under this influence has shifted to result orientation with more efficient and effective interventions and a cross-cutting dialogue between stakeholders, a necessity in front of the major challenges stressed also in the URBACT study on Cities facing the crisis, “the challenge of unemployment and the challenge of managing our cities in a period of major cuts in public expenditure” (URBACT 2010, p. 5).

In the Cities of Tomorrow report from 2011 the multilevel governance challenges have been further developed: “New relations are being forged between different levels, e.g. between the European and the local levels. The range of actors involved in policy-making and policy shaping needs to be widened to include diverse stakeholders, including citizens. In essence, policies have to operate in a multiscalar governance framework.” (European Commission 2011, p. 93)

A place-based approach is challenging because it demands cross-sector and cross-department thinking and acting, at all administrative levels, together with a mixed and integrated funding. The outcomes from the study on 50 good practices on urban development funded by ERDF in 2007-13 stress how “physical regeneration is still a major driver in creating multi-stakeholder cooperation in the integration of policies. However, in the best examples, both people and place-based approaches are combined at relevant administrative levels. This combination of place-based and people-based approaches is most visible in those cases where the national level is committed to developing the two approaches together.” (European Commission 2013b, p. 59)

Area-based interventions within an integrated city-wide urban development strategy are most effective means, as the findings from URBACT II confirm: Cities need to act in a comprehensive way, coordinating policies (e.g. spatial intervention on housing, urban planning, mobility with cultural, social and economic interventions), and the work with the community, civil society organisations, with the private sector and other relevant stakeholders. But this is not yet mainstreaming: Integrated urban development needs a radical shift to demonstrate the effectiveness of area-based and cross-sector approaches. “The integrated approach demands a management innovation in local government – it demands a paradigm shift in the way local government manages policy fields, multi-level governance and functional areas” (European Commission 2013b, p. 31).

This is in brief the context and the starting point for the “Cities in Article 7” (CIA 7) Implementation Network with the European Metropole of Lille, France as the Lead Partner. With a strong will of ‘learning by doing’ it goes to explore how cities benefiting from ERDF funding for the implementation of integrated urban strategies under Article 7 of the ERDF regulation are facing the mentioned challenges and making use of the potentials in terms of management innovation in local government.
1. THE EU CONTEXT: ARTICLE 7 AND SUSTAINABLE URBAN DEVELOPMENT

2.1 Article 7 of the ERDF regulation

The Implementation Network CIA 7 is dealing with newly introduced instruments for funding which intend to stimulate integrated urban development projects and actions. The integrated interventions have to be part of city-wide (or functional area-wide) development strategies. The urban dimension in cohesion policy in the ongoing programming period 2014-2020 has been strengthened. The legal basis is Article 7 of the ERDF Regulation (N° 1301/2013) where sustainable urban development in operational programmes is defined as follows (European Commission 2013a):

1. The ERDF shall support, within operational programmes, sustainable urban development through strategies that set out integrated actions to tackle the economic, environmental, climate, demographic and social challenges affecting urban areas, while taking into account the need to promote urban-rural linkages.

2. Sustainable urban development shall be undertaken through Integrated territorial investment as referred to in Article 36 of Regulation (EU) No 1303/2013, or through a specific operational programme, or through a specific priority axis in accordance with point (c) of the first subparagraph of Article 96(1) of Regulation (EU) No 1303/2013.

3. Taking into account its specific territorial situation, each Member State shall establish in its Partnership Agreement the principles for the selection of urban areas where integrated actions for sustainable urban development are to be implemented and an indicative allocation for those actions at national level.

4. At least 5% of the ERDF resources allocated at national level under the Investment for growth and jobs goal shall be allocated to integrated actions for sustainable urban development where cities, sub-regional or local bodies responsible for implementing sustainable urban strategies ("urban authorities") shall be responsible for tasks relating, at least, to the selection of operations in accordance with Article 123(6) of Regulation (EU) No 1303/2013, or, where appropriate, in accordance with Article 123(7) of that Regulation. The indicative amount to be dedicated for the purposes of paragraph 2 of this Article shall be set out in the operational programme or programmes concerned.

5. The managing authority shall determine, in consultation with the urban authority, the scope of tasks, to be undertaken by urban authorities, concerning the management of integrated actions for sustainable urban development. The managing authority shall formally record its decision in writing. The managing authority may retain the right to undertake a final verification of eligibility of operations before approval.
2.2 The urban dimension in cohesion policy 2014-2020

Besides Article 7 which defines a new way of allocating ERDF resources in the operational programmes within the single national allocation frameworks, a range of new tools and opportunities have been introduced by the EU Commission to strengthen and disseminate integrated urban development approaches and practices. They are characterized by a stronger direct guidance role of the European level towards cities and urban areas.

Article 8 of the EU Regulation No 1301/2013 is concerned with Urban Innovative Actions, directly managed and funded by the EU Commission. The Urban Innovative Actions (UIA) initiative has been created to identify and test new approaches to the challenges faced by cities, with a total of EUR 371 million over a seven-year period. Pilot projects are selected through calls for proposals with an ERDF contribution not exceeding EUR 5 million per project, a co-financing rate of maximum 80%, and maximum three-year duration. The topics of the calls are defined annually by the Commission. The management of Urban Innovative Actions is delegated to the Hauts de France Region in France.

Article 9 of the EU Regulation No 1301/2013 deals with the establishment of the Urban Development Network (UDN). The UDN is organizing an exchange and capacity building platform of more than 500 cities/urban areas across the EU responsible for implementing integrated actions based on Sustainable Urban Development strategies financed by ERDF in the 2014-2020 period (Articles 7 and 8). It establishes a direct dialogue between the European Commission and cities on sustainable urban development.

After a longer consultation, the Urban Agenda for the EU was adopted at the Informal Meeting of EU Ministers in May 2016 with the Pact of Amsterdam (Urban Agenda for the EU 2016). This policy document is strengthening the urban dimension focusing on “Better regulation - Better funding - Better knowledge (base and knowledge exchange” offering another opportunity for exchange and learning. 12 priority themes have been identified: These themes will be explored in innovative partnerships, where the European Commission, Member States, European cities, NGOs and business partners will work together on policy proposals to ensure that the urban dimension is strengthened in the overall EU policies. Some of the thematic partnerships have already started their activities.

- Air quality (Start: 2016)
- Housing (Start: 2016)
- Inclusion of migrants and refugees (Start: 2016)
- Urban poverty (Start: 2016)
- Jobs and skills in the local economy (Start: 2017)
- Circular economy (Start: 2017)
- Digital transition (Start: 2017)
- Urban mobility (Start: 2017)
- Climate adaptation (Decision: early 2017)
- Energy transition (Decision: early 2017)
Sustainable use of land and nature-based solutions (Decision: early 2017)
Innovative and responsible public procurement (Decision: early 2017)

These partnerships will develop thematic contributions at European level which can also inform the work of the implementation networks. Some partners or respective Managing Authorities are involved in these partnerships guaranteeing a direct access to the information collected.

2.3 Arrangements under Article 7

The new instruments introduced under Article 7 want to stimulate the integrated approach at different levels and spheres: with a functional territorial perspective, more delegation of management tasks to the local level and a financial mix from different structural funds and related operational programmes. Funding has to be based on sustainable urban development strategies addressing urban challenges or urban-rural linkages. Three main arrangements under Article 7 are possible:

- A specific priority axis of an operational programme dedicated to Sustainable Urban Development
- A specific operational programme dedicated to Sustainable Urban Development
- Integrated Territorial Investments (ITI): a certain part of the financial allocation of one or more priority axes of one or more operational programmes can be implemented through it.

What can be observed from the first insights is a broad range of applying Article 7 in the different national contexts. There is not one simple and singular way of implementation due to the variety of framework conditions. For instance, there are only 4 specific Operational Programmes: the national Metropolitan Areas Programme (PON Metro) in Italy and three capital cities (Brussels, Prague, Stockholm). The rest of the EU is evenly divided between ITI and priority axis: Sustainable urban development only in regional OPs can be found in Germany, Ireland, France, Greece, Italy (+ PON Metro), Poland, Portugal and Sweden. 18 Member States are dealing with a single national or multi-regional OP.

The regulatory obligation foresees a minimum of 5% of the national ERDF allocation to be programmed for sustainable urban development (SUD) under these three arrangements. From a recent overview of DG REGIO it becomes evident that half of the Member States spend much more than 5% for SUD (Cyprus, Bulgaria 20%, Belgium 15%, Romania 11%; Poland, Czech Republic, Hungary, Germany, France, Portugal, Latvia, Slovenia, Netherlands, Ireland: between 7 and 10%). The total allocation is around 14.5 billion € which means 7.8% of ERDF (Matkó 2016).

The most requested investment priorities are:

- Energy efficiency, use of renewable energy in public buildings and housing;
- Sustainable, multimodal transport;
- Improvement of urban environment (brownfields, heritage, water, waste, air quality, noise);
- Social inclusion and poverty reduction.
Member States have not been obliged to use ITI as an instrument, but most of the Member States have decided to use it. 15 Member States use ITI entirely or partly (Italy, France, Czech Republic, Belgium, Sweden) representing half of the budget. This feedback from the Member States seems to be a confirmation of what was observed at the start of the implementation process: “The high level of interest in ITI in many Member States suggests it ‘fills a gap’ and that the tool is considered useful for implementing territorial approaches” (van der Zwet 2014).

The EU Commission explained the character of the new tool ITI at the beginning of the funding period in a factsheet as follows: “ITI is a tool to implement territorial strategies in an integrated way. It is not an operation, nor a sub-priority of an Operational Programme. Instead, ITI allows Member States to implement Operational Programmes in a cross-cutting way and to draw on funding from several priority axes of one or more Operational Programmes to ensure the implementation of an integrated strategy for a specific territory. As such, the existence of ITI will both provide flexibility for Member States regarding the design of Operational Programmes, and enable the efficient implementation of integrated actions through simplified financing. It is important to underline that ITIs can only be effectively used if the specific geographical area concerned has an integrated, cross-sectoral territorial strategy.” (European Commission 2014)

Within the ITI management the Managing Authority may designate intermediate bodies, including local authorities, regional development bodies or non-governmental organisations, to carry out some or all of the
management and implementation tasks. At least the delegation of the selection of operations is an obligatory requirement (European Commission 2014). One of the expressed aims is “to make it easier to run territorial strategies that need funding from different sources. ITI also promotes a more local or ‘place-based’ form of policy-making” (European Commission 2015, Preface).

In the observation of the first experiences with the new tool it was constated that “while the 2014-20 ESIF Regulations recognise the importance of integrated development strategies, the integration of funding streams is often problematic. The ever-increasing complexity of rules and regulations, differences in administrative structures and procedures as well as conflicting policy goals, makes breaking down these ‘silos’ inherently difficult.” (van der Zwet 2014) These silos are mirrored in sector programme structures.

The integration of different funding streams, especially ERDF and ESF, remains one of the main challenges in the organisation of the Article 7 instruments. The long-term gap in terms of sector logics, strategic objectives and procedures has still to be bridged, coordination efforts for managing authorities need to be simplified. Only 30% of the OPs foresee both ERDF and ESF funding. This also proves how cautious and hesitating the use of the new ERDF regulation under Article 7 for an integrated urban development has been interpreted by the member states.

Generally, the new arrangements under Article 7 have been built and defined top-down. The intention was to give flexibility and to adapt the arrangements to national and regional frameworks in the Member States. Mainstreaming of the urban dimension in European policy created national and regional authorities with a
new and decisive responsibility in the field of integrated urban and neighbourhood development. Instead, reluctance of delegation to the local level can be constated in most Member States. Additional requirements of responsibilities and new capacity needs for the management and implementation of structural funds at local level are very often the consequence. As Tosics (2017) remarks, “the lack of knowledge is not solely the failure of the city authorities... ITIs are new and there is a lack of detail on how they can be used most effectively in practice. This refers to the overdue and slow development of guidance by the EC.” (Tosics 2017, p. 293)

On behalf of the EU Commission, SWEC from Stockholm with the European Policies Research Centre (EPRC) of the University of Strathclyde is currently analysing the implementation of the territorial strategies within sustainable urban development under Article 7 of the ERDF Regulation. CIA 7 partners are contributing and will take into account the outcomes. Research up to now includes preliminary studies and ex-ante scenarios for the current programming period and mostly grey literature. Some common features already emerge.

Differences of geographical/territorial and administrative/institutional frameworks are high and concern among others (see Matko 2016):

- Delimitation and size of functional and urban areas, levels of urbanisation, urban-rural relations, mono or polycentric systems, priorities of urban challenges
- Level of decentralization, administrative organisation, devolved competencies, local fiscal autonomy, socio-economic conditions
- Policy schemes for integrated planning and urban policy traditions, e.g. Politique de la ville (FR), Soziale Stadt (DE)
- Programming constraints, e.g. thematic concentration, OP structure, single or several funds used.

National interpretations of the new tools are covering the whole range possible. In a study on four ITI scenarios main elements of distinction are mentioned: “In practice, existing national arrangements, capacity of local stakeholders and available funding are important determining factors.” (European Commission 2015, p. 13)
2. OVERVIEW OF KEY IMPLEMENTATION CHALLENGES AND HOW THEY LINK TO THE POLICY FIELD

The main aim of the URBACT Implementation Networks is to improve the implementation and delivery of cities’ integrated strategies or action plans. Challenges related to implementation within Article 7 are in the focus of CIA 7 exchange and learning activities. The following 7 implementation-related challenges have been defined by the URBACT programme, out of which 3 mandatory challenges (to be explored by all Implementation Networks) and 4 optional challenges (every network to select the most relevant for their partners). Additionally, communication can be considered as a transversal tool in all challenges. In this overview these challenges are discussed with policy documents, research and practice examples.

3.1 DELIVERY – Ensuring the integrated approach in the delivery of the strategy and their related actions/projects (mandatory challenge no. 1)

The participatory approach shall improve the implementation process and the delivery of the urban strategy or local action plan (strengthening the evidence base, ensuring ownership of the problems identified and of the solutions/policies developed, creating the conditions for a successful delivery, etc.). The integrated sustainable approach for urban development has already been practiced since the URBAN I and II programmes (1994-2006). URBACT drew on this experience when designing the URBACT Local Support Group approach to Local Action Plans.

From the experiences of the URBACT network RegGov, local, horizontal and vertical cooperation are crucial elements of integrated delivery (RegGov 2011, p. 16):

- Local cooperation: Relationship between different actors within the neighbourhood and between neighbourhood and city
- Horizontal cooperation: Relationship / networks between cities within a determined area
- Vertical cooperation: Relationship between cities and Managing Authorities

A lasting and efficient “horizontal cooperation” between all relevant actors on the local level and making sure that all relevant key players, associations and organisations contribute to the development and implementation of Integrated Local Action Plans can guarantee that all possible resources are activated and integrated and all possible synergies are realised. A mayor challenge using Article 7 tools is how to achieve improved and more reliable forms of “vertical cooperation” from the neighbourhood across the city level to the level of managing authorities. Vertical integration can provide political and strategic support and supply concrete advice on how to bundle different programmes and funding opportunities.

The challenge when implementing the urban strategy or local action plan is to create an integrated operational framework. The whole strategy has been developed in an integrated way, but how to manage to get integrated projects/actions out of it is another challenge. Urban problems faced in the strategies are complex and can only be solved with a tight project pipeline for the catalogue of actions and measures from social,
economic, cultural and environmental perspectives which need to be interlinked, prioritized and combined with different funding sources (with respect to timing/ calendar foreseen for implementation, with respect to the results expected from the implementation of the strategy/ action plan, etc.).

Concrete solutions and policy instruments will allow cities to effectively address the challenges they have identified in relation to the implementation process. This operational framework will thus be both a driver to the exchange and learning activities and a concrete key output that will lead to an enhanced delivery of their urban strategy or action plan.

Questions of interest for the CIA 7 network

- How do you work together in the project coordination during implementation of the integrated strategy?
- How do you assure the cooperation of the city departments implementing the strategy?
- Different logics and managing authorities for ERDF and ESF projects (not integrated): How do you manage to get integrated projects/actions out of it?
- What kind of governance structure from the local point of view is revealing adapted to develop an integrated approach?
- What is the way and structure to learn to think and work in an integrated way in your city?

3.2 INVOLVEMENT – Maintaining involvement of local stakeholders and organising decision-making for delivery (mandatory challenge no. 2)

The Urban Development Network UDN in 2016 has organised a series of peer review sessions in selected cities on their integrated sustainable urban development strategies. The Pilot Peer Review Report on the case of Rotterdam shows how one of the challenges to face is the communication of overall goals to the local level: “Translate European language into city language. It is the whole delivery chain: all players within the communication strategy down towards the citizens” (UDN Rotterdam 2016). In the Rotterdam case an urban advisory group made of external experts is deciding upon the projects, with an innovative process of approving projects. The continuous participation of people in the neighbourhood in this process is a challenge to be distributed joining forces: How to achieve in cooperation with other stakeholders a more stable and inclusive environment?

In the Reggio Emilia case the definition of participation and engagement was discussed, in the sense of having a clear picture of the type of community involvement envisaged. The capacity and available resources of the municipality maintaining local stakeholder and community engagement in a sustainable way with direct, practical, and concrete ways of communication and consultation leading to different degrees of commitment of stakeholders revealed to be a challenging concern (UDN Reggio Emilia 2016).

The URBACT II network “Joining Forces. Metropolitan governance & competitiveness of European cities” defined issues to be better coordinated at metropolitan level and was led by Lille Metropole, the CIA 7 Lead Partner. One of the partners was also Seville. The project analysed policy themes such as: Strategy and spatial planning; Mobility management and transport; Main environmental issues: water supply, waste disposal, etc.; Knowledge economy (creativity, research and education); Governance (public/public & public/private
arrangements); Social inclusion, participation, empowerment; Attractiveness & Competitiveness (including promotion / marketing). City regions and metropolitan areas, like the forced creation of metropolitan authorities (such as the first French Communautés urbaines), and the creation of a new legal framework for metropolitan cities (such as 14 Città metropolitane in Italy which in 2014 substituted the provinces), add another important governance level to the multi-level system. Within the CIA 7 network some partner cities with no tradition in inter-municipal coordination had to establish and delimitate agglomerations or functional urban areas for the ITIs under Article 7 (e.g. the Czech and Polish partners).

The participatory approach with a broad engagement in policy-making and delivery gives more consensus on the strategy, and is needed not only for restricted resources but because of the conviction that no single organisation has the know-how and the capacity to do everything. Consultation and coordination of a variety of actors are a management activity which needs a structural framework. The participatory approach is crucial to be continued for implementation and delivery. Maintaining involvement of local stakeholders during the implementation process is a mayor challenge. There are various stakeholder groups, with more or less capacity to represent their interests who need different tables and formats of involvement. Stakeholders can be grouped as follows (URBACT Summer University Krakow, LAB 1 presentation, 2011):

- Territorial level: Neighbourhood, City, Region/Intermediate level, State, European level
- Sectors and departments: Urban development, Economic affairs, Social affairs/Welfare, Employment and Professional Instruction, Education/Schools, Culture, Sports etc.
- Public sphere: Public administration, politicians, decision-makers, public companies
- Semi-Public: Welfare organisations, (partially, especially public) housing companies
- Private economic actors: Companies and entrepreneurs not locally based, Local business owners, (partially) housing companies, individual property owners
- Civic actors: Civic organisations representing (parts of) the community: youth/children, families, migrants/ethnic groups, handicapped, elder people etc., Associations of inhabitants, Engaged individuals and inhabitants

Engaging all stakeholders in coproduction and gathering them in the URBACT Local Group (ULG) can strengthen the active involvement in transnational exchange activities and in the development of concrete solutions to the implementation challenges identified by the city, in relation to maintaining the integrated and participatory approach during the implementation, funding, selection of projects, etc.

Questions of interest for the CIA 7 network

- Maintaining the involvement of local stakeholders and consultation and participative issues in the implementation process, what are the intentions and capacities of active involvement in decision-making? How to integrate the involvement in the decision-making?
- If you want to empower citizens and other stakeholders there is no “one size fits all” way, how do you develop tailor-made formats for different local stakeholder groups (citizens, businesses, third sector)?
- How to integrate these stakeholder groups in the URBACT local group (ULG)? When is the right moment, what are the right tables for involvement in the process? They are a critical success factor
of implementation, but it is a long-term process, how to maintain interest and enthusiasm? How to coordinate conflicting interests? How to access NGOs?

- Organising decision-making within the public institutions involved, which resource management forms between city, city region, region, managing authority are needed? According to the different levels: national/regional (e.g. city networks), city (round tables, forum), neighbourhood (management)?

- How to achieve better cooperation with the managing authority for the action plan to be implemented?

3.3 IMPACT – Setting up efficient indicators and monitoring systems to measure performance (mandatory challenge no. 3)

Some cities are experienced in measuring and monitoring the effectiveness of activities and the achievement of objectives. Where city-wide monitoring systems have been developed, they fulfil an important role for the selection of priority areas for intervention and for assessing progress at project and programme level. They sometimes can be considered an “early warning system” of critical socio-economic situations at an early stage.

The Dutch city of Nijmegen has established a municipal department of research and statistics which every two years undertakes a city-wide and neighbourhood monitoring report, together with an annual monitoring of the inner city because of the city centre’s economic importance. They also do a special form of qualitative research. In all parts of the city covered by the neighbourhood monitor, a list of professionals and representatives of the local population gets compiled. All persons listed receive a mail in order to inform the Department about the most important local changes. The Monitoring Report is communicated to all departments and to the representatives of the neighbourhoods (RegGov Seminar Report on monitoring progress and achievements in integrated neighbourhood).

Programme and project-related monitoring systems are important, the methodology to measure impact under Article 7 needs yet to be discussed: In some cities there are broad OP specific indicators to be followed, in others ITI tailor-made indicators have been developed. A continuous and detailed feedback system and a clear organisation structure in the municipalities are an important challenge, even for the mid-term evaluation of the ITI strategy. Besides the output indicators, the definition of result indicators which are the variables to measure the intended change is crucial. The increased emphasis on results orientation in cohesion policy also means that cities will need to improve their capacity in measuring results.

There are experiences with regional indicator-based monitoring systems in North Rhine-Westphalia combined with self-assessment of projects at city level within the Socially Integrative City Programme. The UR-BACT network TOGETHER used participative methods to build indicators of well-being with the citizens themselves. The goal is to enlarge the impact of public and private actions considering these criteria and to develop pilot actions of social inclusion around the idea of co-responsibility of the actors themselves (TOGETHER 2011).

Qualitative results, like behaviour change, image change or awareness, are hard to measure, but this is more and more needed due to the complexity of implementation of integrated strategies. There are methods to create feasible indicators, e.g. building target trees, conducting monitoring visits and creating participative
processes. The OECD Better Life Index has identified 11 topics of material living conditions and quality of life (http://www.oecdbetterlifeindex.org) giving valuable hints for a qualitative dimension of monitoring and assessment.

Questions of interest for the CIA 7 network

- How to frame output and result indicators of an urban strategy or action plan in a meaningful and relevant way?
- What about integration in monitoring and evaluation of actions to be implemented? Where does it take place?
- How to make monitoring the target a core work of the stakeholder group?
- If you need city-wide monitoring, on what base and at which frequency? Which data are available, from national statistical sources broken down to local level or data developed at local and neighbourhood level?
- There are only few ERDF/ESF result indicators at MA level. Reporting of output indicators and impact evaluation with qualitative territorially sensitive indicators, e.g. quality of life, are needed. How to measure change?

3.4 QUALIFYING PROCESS – Moving from strategy to operational action-plan (optional challenge no. 4)

In the UDN peer review on the city of Brno, one of the Czech ITI metropolitan areas, the organisation of the selection system of actions was an important challenge. Recommendations were made about creating transparency at and between all governance levels, early communication with all involved local authorities, early start of the negotiations with the national level, and exchange with other metropolitan cities using ITI (UDN Brno 2016). This exchange is needed also in other national contexts, in the Czech case meanwhile it is being organized by the national managing authority combined with city visits.

What is important and becoming more and more state of the art in European cities is to use the integrated urban development strategy as an opportunity, not only in the function of a specific funding programme but providing a thematic and strategic framework for a cyclical implementation process of all potential projects and actions emerging in the area. This link from the local strategy to an overall integrated framework for a broader area can be an important aspect in order to develop the leverage effect of European funding. The strategy of the European Metropole of Lille and its Managing Authority to use the ITI within Article 7 as the European “branch” of implementation of the national programme “Politique de la ville” concentrating on the parts of the metropolitan area most in need is exercising this kind of integration.

Article 7 requirements, especially concerning the capacity building during the Integrated Territorial Investment organisation in the cities, should be analysed in terms of efficiency of the process from strategy towards operational action plans. An integrated urban strategy that combines actions from different thematic axes and includes other beneficiaries requires more than the implementation of technical works or actions derived by the city alone. It is a challenge how to create processes of controlling, objectively evaluating and managing different types of projects, actions and works beyond the communal procedures.
The organisation of calls for projects in some cases according to Article 7 is delegated to the cities as intermediate bodies, but often the procedure of selection with a given time line is quite ambitious. Questions concerning the roles of cities and managing authorities arise with a need to improve the process in order to maintain the quality of the integrative and participatory approach at operative level.

Questions of interest for the CIA 7 network

- Eligibility guidelines and rules are complicated, how to make a detailed implementation plan fit into them?
- Cohesion policy is the main funding opportunity for some cities, but often connected to many other (national, regional) programmes with different rules. How to coordinate this mix of programme logics including different time frames, risks and delays at operative level?
- ERDF funded activities receive support from the Managing Authority, which is often a question of policy visibility for the integrated strategy. But concrete actions have to be adapted at local level. How to improve this step?
- In the MA calls for projects, the group of potential beneficiaries is limited, but for the selection of actions the time line at local level is often narrow. How to work on this challenge?

3.5 PPP – Setting up Public Private Partnerships for delivery (optional challenge no. 5)

Private actors and civil society, like (citizen) foundations, local business associations, welfare organisations, (municipal) housing and real estate economy are key stakeholders, as mentioned in chapter 3.2. When implementing an integrated strategy the support of all relevant groups is necessary. Framework conditions for successful local development are complex, making it even more urgent that all players communicate effectively with each other. The dialogue between new and/or established partners in the area is an important success factor.

This should be distinguished from classic Public-Private Partnership schemes as a contractual cooperation form between public domain and private enterprises. The RegGov report on public-private partnership in integrated urban policy quotes a definition of the Danish Enterprise and Construction Authority stressing the shared risks and the long-term perspective: “Public-Private Partnership is a method to handle public tasks that require long-term investment. The idea is to invite bids for design, financing, construction, operation, maintenance and services as one project up to 30 years. The private and public partners share the risks related to the project, which means that every risk is handled by the party that can do it in the best and least expensive manner.” (RegGov 2009, p. 12)

Motivations of Public Private Partnership can been reassumed as follows (Ramsden 2016):

- Source of potential investment in the face of limited public budgets
- Move infrastructure funding off the public balance sheet
- Finance and deliver infrastructure better / deliver Value for Money
Realize more value from public assets (value creation and capture) – More efficiency / effectiveness in services (poor public performance record)

Lack of alternatives (human and financial capacity) to deliver infrastructure by public sector

In a recent study on PPP and good practice in Italy eight cases on different activity fields have been described, parking areas, photovoltaic facilities, public illumination, kindergarten, cemetery services, tourist ports, sport facilities, social housing (EPAS 2015). In the same study one of the main challenges of PPP is highlighted. Public administration is not always prepared for financial issues or contractual negotiation concerning big infrastructure projects, competence and capacity building needs are high. The recommendation for city administrations is to experience even smaller PPP projects which might have a positive impact on the local territory with an effect in terms of capacity building (EPAS 2015, p. 19).

3.6 PROCUREMENT – Designing smart public procurement frameworks (optional challenge no. 6)

Procurement is used by public purchasers at local level (e.g. city councils, universities, hospitals) to commission goods and services from private and social sector organisations. Neves (2009) highlights the opportunities of the European level moving to an innovative public procurement approach. The EU public procurement strategy adopted on April, 18 2016 includes new opportunities for integrated urban development. Social and environmental goals (social procurement, green procurement) and public procurement of innovation are encouraged (Rok 2016).

Procurement is an important part of the implementation and delivery process. “With public expenditure on goods, works, and services representing approximately 14% of EU GDP with an annual value of nearly €2 trillion, public procurement is critical to the European economic recovery. Transparent, fair, and competitive public procurement across the Single Market creates business opportunities for European enterprises and contributes to economic growth and job creation.” [link]

The URBACT network PROCURE - Creating a good local economy through procurement, in the state of the art document (March 2016) stresses the importance of working on smart procurement strategies of cities. The purpose of the Procure network is to support cities to enhance procurement processes so that they bring greater benefits for their city economy and in social and environmental terms. Lublin, one of the CIA 7 partners, is also participating in this network and can link to the contents where useful and necessary.

In the procurement process, PROCURE identifies ways of maximising benefit for city economies in socio-economic and environmental terms across Europe:

- Developing procurement strategies with a common narrative
- Developing accessible portals
- Packaging contracts to make them more accessible.
- Streamlining procurement documentation
- Using social and environmental criteria (PROCURE 2016, p. 16-17)
3.7 FINANCIAL INNOVATION - Enhancing funding of urban policies by exploring financial innovation (optional challenge no. 7)

The use of innovative financial instruments can give new opportunities and impulses to urban development strategies. This issue always concerns questions of transparency and accountability. There is a variety of financial tools which are being tested and need to be further explored. With the complexity to be tackled under Article 7 and the timing of the performance from strategy to implementation challenges and benefits of new financial instruments and arrangements need to be carefully analysed. Is it targeted for the local needs? In terms of risk assessment, how are benefits and losses distributed?

Some of the CIA 7 partners have made experiences and exchanges on innovative financial tools in different contexts. The European Metropole of Lille and the City of Seville participated in the CSI Europe network. Their conclusions include the fact that financial instruments are less flexible than grant in terms of the types of project they can support due to their requirement for repayment. Projects must be able to deliver value which will ultimately enable the project promoter to repay the investment (CSI Europe 2015).

The first continental European Social Impact Bond, for social programmes run by an agency and financed by investors, was applied in Augsburg, Germany in 2013. An agreement was made with the public sector stipulating payment of a premium if predefined, empirically measurable objectives are achieved (pay for success). Implementation was made possible through the support of non-profit financiers, whose upfront funding plus a small amount of interest would only be repaid if the project was a success. The pilot project focused on disadvantaged, unemployed adolescents, a defined number of them had to be placed in apprenticeships or gainful employment. In this case, the recirculation of funds increased the possibilities for social engagement (Juvat 2016).

Micro financing, micro credits and peer-to-peer lending have been tackled at neighbourhood level in the RegGov Case study of Duisburg on micro-credits (RegGov 2011, p. 55-62). In this case a financial instrument has been used to connect issues of local economy and unemployment with spatial problems in deprived neighbourhoods. Establishing a microfinance system at neighbourhood level requires partners at different levels, and it needs to be stimulated by public subsidies. From these experiences it can only be seen as an additional instrument to strengthen local economy.

Crowd funding or crowd sourcing are new ways to activate and encourage shared funding from the citizens. Even if the use in urban development projects is still experimental, the Rotterdam Luchtsingel bridge case shows a very special idea and project design which has led to a success. http://inhabitat.com/rotterdams-wooden-luchtsingel-footbridge-is-a-fantastic-piece-of-crowdfunding-architecture/

These kinds of innovative funding tools are examples of the potential lying in them for integrated urban development strategies. Still they are often in an experimental or pilot phase, and in need of strong ideas and a local participation culture. These new financial tools in most of the CIA 7 partner cities are an additional option which rises regulation and coordination issues and time frames to the complexity which most of the Article 7 arrangements are dealing with.
LEARNING BY DOING – CITIES IN ARTICLE 7

The urban dimension of cohesion policy in the programming period 2014-2020 has been stressed by new instruments in the Operational Programmes for sustainable development in cities. The emphasis on territorial approaches has been reinforced compared to the period 2007-2013. Cities are given more attention within the ERDF regulation, functional and (sub-) regional areas with specific challenges and topics are taken more into account.

It is demanding for cities to take over “learning by doing” new administrative responsibilities and the lead for participative processes within innovative arrangements and often newly established functional areas, like required within Article 7. What remains to be explored is if and how cities can make best use of the new and ambitious tools at their disposal when at the same time they have to adopt new selection procedures and fulfil additional administrative responsibilities. The flexibility of regulations intended at European level opened space for national guidance. This did not always lead to simplified and tailor-made solutions for the involved urban areas but to an extension of requirements to what is already perceived to be a rather complex mechanism.

The empowerment of urban areas giving them more responsibility in the implementation of the OP (e.g. as intermediate bodies) is a big opportunity but also a big challenge to cities. In fact, the development of urban integrated strategies requires many competences such as knowledge on European funds and their management but at the same time on the cross-sector strategy’s themes.

To summarise it briefly, the Implementation Network CIA 7 shares integrated practices from planning to implementation and funding under Article 7 of ERDF regulation which gives cities the capacity to develop livable urban areas through integrated strategies: This is a very challenging quality shift and management innovation, but at the same time a huge opportunity strengthening and empowering cities.

Additionally, Partner Profiles of the CIA 7 partner cities together with a Synthesis have been produced in a separate document. Part 2 of the Baseline Study “Implementing integrated strategies: The CIA 7 Partners” is aimed at an internal audience.
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CIA 7 is a network of European cities, funded by the European Union in the frame of the URBACT III Programme. The CIA 7 partners have a common need to improve the implementation of their existing integrated urban strategies or action plans under Article 7 of the ERDF regulation. New tools of implementation and funding of interlinked actions for integrated urban development have been introduced. Managing Authorities and cities need to act as partners to fulfil the objectives developed in the Operational Programmes. Innovative approaches of multilevel governance and co-operation have to be applied and shared. The step from planning to implementation and funding with shared responsibilities is a joint policy challenge the partners of the CIA 7 URBACT Implementation Network are exploring.
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CONCRETE CHALLENGES - OFFERS AND NEEDS FROM THE CITIES

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INTRODUCTION – THE CIA 7 PARTNERS

The starting point for the “Cities in Article 7” (CIA 7) Implementation Network is to explore how different cities in EU Member States benefiting from funding for the implementation of integrated urban strategies under Article 7 of the ERDF regulation are facing challenges and potentials. Lead Partner is the European Metropole of Lille, France.

In this second part of the baseline study (Part 1 is the State of the Art “Co-Production of Integrated Urban Development under Article 7”) the partner cities of the CIA 7 network are described in a detailed way on the base of:

> the partner visits with meetings with the core teams, strategic stakeholders, elected representatives, members of the ULG and sites visits to target areas

> the analysis of the questionnaires distributed and filled in among all partners on local policy challenges together with the implementation challenges to be tackled in the network

> the common discussion and decisions made on the selection of implementation challenges and the preliminary work and time framework for phase 2 during the transnational meeting in Seville, Spain in February 2017.

The focus of this overview is on the characteristics and framework conditions of the partners in the context relevant for the network topic chosen: the implementation of integrated strategies and action plans under Article 7 of the ERDF regulation.

Finally, in the synthesis insights are provided and the priorities in relation to different Implementation Challenges are set up. The framework for the activities in Phase 2 is described on the base of concrete explanations and questions around the implementation challenges together with Gives and Takes of the partners from their local activities.

The partner visits have taken place from December 2016 to February 2017 carried out by the Lead Expert Petra Potz mostly together with the Lead Partner Perrine Ezelin from the European Metropole of Lille (without Lead Partner only in Olomouc and Larissa).

Table 1: Overview on Partner visits

<table>
<thead>
<tr>
<th>Date</th>
<th>City</th>
</tr>
</thead>
<tbody>
<tr>
<td>19-20 December 2016</td>
<td>Olomouc CZ</td>
</tr>
<tr>
<td>9-10 January 2017</td>
<td>Bari IT</td>
</tr>
<tr>
<td>Date</td>
<td>Location</td>
</tr>
<tr>
<td>-----------------------</td>
<td>------------------------</td>
</tr>
<tr>
<td>12-13 January 2017</td>
<td>Pesaro IT</td>
</tr>
<tr>
<td>16-17 January 2017</td>
<td>Lublin PL</td>
</tr>
<tr>
<td>18-20 January 2017</td>
<td>Dublin IE <em>(only phase 1)</em></td>
</tr>
<tr>
<td>23-24 January 2017</td>
<td>Larissa GR</td>
</tr>
<tr>
<td>7-8 February 2017</td>
<td>Sevilla ES</td>
</tr>
<tr>
<td>16-17 February 2017</td>
<td>Duisburg DE</td>
</tr>
<tr>
<td>20-21 February 2017</td>
<td>European Metropole of Lille FR</td>
</tr>
</tbody>
</table>
In common

The CIA 7 network represents eight European partners from different socio-economic framework conditions (more & less developed regions, regions in transition) facing a common issue: How to improve living conditions and urban development in an integrated and sustainable way using dedicated European funding in the most appropriate way. The way from building and developing a strategy for the future of the neighbourhood or the city or the functional area to implementation and realisation of a common integrated set of measures and projects is very ambitious and needs to be further explored in this implementation network.

Cities in Article 7 (CIA 7)
Partnership of the URBACT III Implementation Network

Concerning Article 7 the CIA 7 partners have to face national frameworks and interpretations of the European regulation. This means that the whole range of implementation options offered by Article 7 (Operational Programme, Urban Axis, Integrated Territorial Investment) will be covered in the network.

For most of the CIA 7 partners it is the first time to coordinate needs and relationships within a functional urban area created ex novo for this purpose. The management of these intercommunal relations is a new capacity need at local level which should not be underestimated. This leads also to the question of the institutional learning process and possible long-term effects, e.g. cross-department activities and cross-sector structures and decision-making within the vertical governance structure.
To build up new management structures and project teams within the communal system is one important facet in these new capacity needs. For some partners, contemporarily this innovation task is even linked to recent territorial and administrative reforms from the national level with additional vertical governance questions and institutional uncertainties linked.

And in common for all the CIA 7 partners is the direct link established to the Managing Authorities for the preparation and during the implementation process, with a new and considerable responsibility delegated to the communal level, mostly for the selection of projects.

**Diversity of experiences**

The CIA 7 partners have different experiences with integrated urban development, and in particular with the implementation of integrated strategies and plans. From a self-evaluation during the network activities in Phase 1 different levels of experience and of learning needs become evident.

Project management experiences are evaluated in the upper range among all partners, a bigger variety of experience can be registered in terms of an integrated and participatory approach during the implementation process.

*Table 2: Self-evaluation of partners - experience in implementing integrated strategies/action plans in terms of ... (1: beginner – 10: advanced)*

<table>
<thead>
<tr>
<th>CITY</th>
<th>INTEGRATION</th>
<th>PARTICIPATION</th>
<th>PROJECT MANAGEMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bari</td>
<td>8</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td>Duisburg</td>
<td>8</td>
<td>8</td>
<td>8</td>
</tr>
<tr>
<td>Larissa</td>
<td>7</td>
<td>6</td>
<td>10</td>
</tr>
<tr>
<td>European Metropole Lille</td>
<td>5</td>
<td>2</td>
<td>8</td>
</tr>
<tr>
<td>Lublin</td>
<td>5</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td>Olomouc</td>
<td>7</td>
<td>5</td>
<td>9</td>
</tr>
<tr>
<td>Pesaro</td>
<td>8</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>Sevilla</td>
<td>2</td>
<td>8</td>
<td>6</td>
</tr>
</tbody>
</table>

The CIA 7 partners with their strategies to be implemented represent all typologies of urban contexts, such as neighbourhoods and parts of single cities, smaller cities in an urban-rural context, agglomerations and metropolitan areas with intercommunal coordination structures.

And: the partners have to build up complex structures to manage funding arrangements and project selection from a mix of ESI funds – even though with very different envelopes of funding foreseen under Article 7 (see table 3).
<table>
<thead>
<tr>
<th>PARTNER</th>
<th>Bari</th>
<th>Duisburg</th>
<th>Larissa</th>
<th>European Metropole Lille</th>
<th>Lublin</th>
<th>Olomouc</th>
<th>Pesaro</th>
<th>Sevilla</th>
</tr>
</thead>
<tbody>
<tr>
<td>REGION</td>
<td>Less Developed</td>
<td>More Developed</td>
<td>Less Developed</td>
<td>In Transition</td>
<td>Less Developed</td>
<td>Less Developed</td>
<td>More Developed</td>
<td>In Transition</td>
</tr>
<tr>
<td>AREA FOR STRATEGY</td>
<td>Metropolitan Area</td>
<td>Neighbourhood</td>
<td>Functional Area</td>
<td>Functional Area</td>
<td>Functional Area</td>
<td>Functional Area</td>
<td>Functional Area</td>
<td>Neighbourhood</td>
</tr>
<tr>
<td>ARTICLE 7 OPTION</td>
<td>National Operational Programme Metropolitan Cities</td>
<td>Regional Urban Axis Sustainable Urban &amp; Neighbourhood Development / Prevention</td>
<td>ITI Strategy Regional Operational Programme</td>
<td>ITI Strategy Regional Operational Programme</td>
<td>ITI Strategy Regional Operational Programme</td>
<td>ITI Strategy Regional Operational Programmes</td>
<td>ITI Strategy Regional Operational Programme</td>
<td>National Urban Axis Sustainable Urban Development</td>
</tr>
<tr>
<td>FUNDING UNDER ARTICLE 7</td>
<td>89 million €</td>
<td>45 million €</td>
<td>20.02 million €</td>
<td>37 million €</td>
<td>105.4 million €</td>
<td>163.8 million €</td>
<td>9.27 million €</td>
<td>18.75 million €</td>
</tr>
<tr>
<td>INVOLVED ESI FUNDS (in some cases partly)</td>
<td>ERDF, ESF</td>
<td>ERDF, ESF</td>
<td>ERDF, ESF</td>
<td>ERDF</td>
<td>ERDF, ESF</td>
<td>ERDF, ESF, CF</td>
<td>ERDF, ESF</td>
<td>ERDF, ESF</td>
</tr>
</tbody>
</table>
1. BARI, ITALY

1.1. The context of the Article 7 strategy

Functional Urban Area

Metropolitan City of Bari

Area: 3.825 km² and 1.26 million inhabitants with 41 municipalities

Bari: 326,000 inhabitants

Strategy to be implemented

Bari Metropolitan Area Strategy (PON METRO BARI 2014-2020)

Funding arrangements

89 million € from ERDF/ESF divided into:

> Digital Agenda (ERDF): 19 million €
> Urban Mobility (ERDF): 28 million €
> Housing and Social Inclusion (ERDF/ESF): 25 million €
> Urban Regeneration and Social Innovation (ERDF/ESF): 17 million €

National context concerning Article 7

Italy has introduced the National Operational Programme Metropolitan Cities (PON METRO) in 2014. Under Article 7, Europe-wide it is one out of four Operational Programmes. The others have a different character, they are for the three Capital regions of Brussels, Prague and Stockholm.

PON METRO, in accordance with objectives and strategies of the national Urban Agenda, aims at facing two main territorial challenges: turning metropolitan cities into more accessible, functional and sustainable places as well as making them more inclusive and connected to each other. It includes five thematic areas: metropolitan digital agenda, sustainability of public services and urban mobility, services for social inclusion, infrastructures for social inclusion, technical assistance.

PON METRO covers 10 metropolitan cities: Turin, Milan, Venice, Genoa, Bologna, Florence, Rome (more developed regions), Bari, Naples, Reggio Calabria (less developed regions). Four metropolitan cities of the regions with special statute have been added: Cagliari, Catania, Messina and Palermo. The interventions on the digital agenda and social inclusion interventions funded by ESF have to cover the territory of the metropolitan area. The focus of all other interventions is exclusively on the territory of the main city.

PON METRO has to be read within the context of a general institutional reform in Italy that after decades of debates on the urban system recently has been put forward by the national law no. 56/2014 (legge Delrio). Metropolitan cities were introduced which cover the territory of the former provinces, strengthening the
metropolitan level in functional terms as more adequate for planning and implementing central services of territorial development and cohesion.

**National Managing Authority**

Ministry of Economic Development, Department of Development and Cohesion Policies (DPS)

**Local policy challenge**

In Bari, the PON METRO concerns four axes: urban regeneration and social innovation besides the digital agenda, urban mobility, housing and social inclusion are main policy challenges.

**Strategic Objectives of PON METRO Bari**

- Sustainable urban development
- Employability and social inclusion in the peripheral areas
- Restructure public abandoned buildings to promote processes of social innovation

**Organisation**

The urban authority is governed by a political committee located in the executive directorate. Staff structures are concerned with programming, communication, information systems and reporting (Mayor’s staff). There are seven persons responsible for implementation by line (digital agenda, work, social housing etc.). Finally there is a monitoring committee.
1.2. Making the strategy concrete – The partner visit

One of the main projects in PON METRO Bari is the regeneration of the mixed and multicultural 19th century Libertà neighbourhood with e.g. the creative hub Spazio 13 in a former school and the former tobacco factory as central elements of intervention. The rehabilitation of the tobacco factory area is connected to the activation of Porta Futuro, a job centre and social incubator of enterprises and services for the neighbourhood. At the same time the National Research Council CNR with 700 qualified employees is planning to move from another part of Bari into the tobacco factory complex contributing to a property and employment qualification of the area. Public open space in the court will be the meeting area in common for all groups and users.
2. DUISBURG, GERMANY

2.1. The context of the Article 7 strategy

Functional Urban Area
City of Duisburg
Duisburg: 500,000 inhabitants
Hochfeld neighbourhood: 18,000 inhabitants

Strategy to be implemented
Duisburg-Hochfeld Integrated Action Plan

National context concerning Article 7

In Germany, total funding for integrated urban development within the Operational Programmes is about 1.5 billion €. The use of Article 7 is detailed at federal state (Land) level for a total amount of 884 million € (8.21% of the total ERDF). Only 7 out of 16 federal States have opted for Article 7 for urban projects, the others prefer funding out of Article 7. ITI has been adopted only in two Federal States, Schleswig-Holstein and Baden Wuerttemberg – but not for urban projects.

North Rhine Westfalia, the biggest Land by population, under Article 7 chose a combination of thematic objectives in the regional mixed axis “Sustainable urban and neighbourhood development / prevention”. They opened the ERDF/ESF call "Strong Neighbourhoods - Strong People". All NRW cities can apply with approved local integrated strategies. The adoption of the strategy is the precondition, not the guarantee (!) for qualifying and funding the single measures and actions included.

Regional Managing Authority
Ministry for Building, Housing, Urban Development and Transport North Rhine Westfalia (NRW), Dusseldorf

Funding arrangements
Regional urban axis under the Programme Socially Integrative City (national & federal State programme) combined (for 50% contribution) with ERDF and ESF: 45 million €

Local policy challenge

Hochfeld is an urban, young and multi-ethnic neighbourhood on the banks of the Rhine.

- Stabilisation of social situation
- Facilitation of integration
- Increase in the level of education
- New impulses from outside and better environmental quality.
The residents should develop a stronger sense of identification and identity, be involved in creating a livable neighbourhood that connects people to one another and enables better participation in German society.

**Strategic Objectives**

**Key development goals**

- The neighbourhood has been socio-economically stabilised.
- Access and quality of education and chances for life-long learning have improved.
- Living conditions for healthy child development, and stable and healthy communities have improved.
- Ongoing social segregation has been slowed by strengthening social inclusion and dialogue between different groups.
- Better living and housing conditions and improved quality of public spaces and surroundings
- Quality of environment has been improved.

**Organisation**

In December 2016, the Interministerial Working Group of the federal State of North Rhine-Westfalia adopted the Hochfeld Integrated Action Plan in the ERDF/ESF call "Strong Neighbourhoods - Strong People”. On this basis, the individual applications for the single projects will be further qualified. A second neighbourhood, Marxloh, with its Integrated Action Plan has been adopted in March 2017. Some of their experiences will also be included in the CIA 7 work. There is a regular and frequent contact with the MA without bureaucratic hurdles.

The City of Duisburg: with the Technical Office, City Department has established a working group on Sustainable Neighbourhood Development. Management Board and political bodies are accompanying the work.
2.2. Making the strategy concrete – The partner visit

The Local Action Plan for the Hochfeld neighbourhood is composed of a wide range of integrated activities to make the neighbourhood more livable. After having improved the public transport connection and tram stops to the city centre, for instance public space in the neighbourhood around the central market square will be re-designed. A new building for the “Blue House” as a centre for young kids with a multifunctional playground in the neighbourhood will be realised. The Rhine Park, the revitalization for leisure of an old industrialised complex close to the river, will be enlarged and better connected to the neighbourhood.
3. LARISSA, GREECE

3.1. The context of the Article 7 strategy

Functional Urban Area

FUA Larissa: 195,000 inhabitants

Municipality of Larissa (established with a reform in 2011): 163,000 inhabitants

City of Larissa: 145,000 inhabitants

Strategy to be implemented

ITI Strategy Larissa: The City in the Proscenium

National context concerning Article 7

Article 7 in Greece is implemented via Regional Operational Programmes. As described in the approved ROP of Thessaly, the funding will be as an ITI through a Sustainable Urban Development Strategy. The MA of the Regional Operational Programme for Thessaly has called only the two municipalities with more than 50,000 inhabitants, Volos and Larissa, the regional capital, to be candidates for an ITI strategy. The area of intervention had to be selected within the city limits. It is the first time that city authorities in Greece have been asked to be part of the implementation of a strategic funding instrument in a Regional OP.

Regional Managing Authority

Thessaly Region

Funding arrangements

Under the ITI Strategy allocated by ROP: 20.02 million €

> ERDF: 13.77 million €
> ESF: 3.25 million €
> City funds: 3 million €

On March 20, 2017 the MA sent both cities eligible for ITI a document with notes on their respective strategies. The City of Larissa has also arranged a meeting with the MA to discuss the notes as well as technical issues. More projects connected with / supporting the urban strategy that (after the approval of projects within the ITI instrument) are intended to be submitted for funding from other national/regional calls and/or city funding (estimated budget of additional projects: 21.1 million €).

Local policy challenge

The main challenge is to respond to a continuous recession that influences public and private sector (quality of services and participation in economy) and has dramatic effects to vulnerable social groups.
1. Improve the economic situation and employment
2. Upgrade the daily life of citizens with social conditions
3. Improve urban environment based on a sustainable approach to development process

**Strategic Objectives**

1. Upgrading the identity and image of the city, the promotion of cultural creation in cooperation with the cultural associations, the encouragement of artistic creation
2. Promoting sustainable urban mobility, improving the accessibility as well as the image of the city
3. Improving transportation – city traffic conditions and the accessibility of all users with low traffic roads, bike roads and pedestrian zones
4. Recovery and support of social cohesion, social justice and solidarity, namely improving the provision of social support services to vulnerable population groups
5. Promotion of social economy actions in sectors related with the Sustainable Urban Development vision

**Organisation**

According to the directives from the Managing Authority two task teams have been assigned by the Mayor working in a separated way from each other. There are no common members between the two task teams since it was made very clear that the two procedures (planning and selection of actions) should be separate and independently operating. The planning team will also be coordinating the implementation of the selected actions (a third procedure – management).

**Team 1 - ITI Task Team:** a 7-persons team consisting of city employees from Departments of Operational Planning, Technical Services and Social Services

> Responsible for forming the Strategy (and every information required until its approval) as well as management, implementation and monitoring of the action plan

> Overseen by the Mayor and the city’s Executive Committee; it refers to them

> Provisions for further cooperation with other departments or employees

**Team 2 - Task Team for the Evaluation and Selection of Actions within the ITI:** 3 employees, from Departments of Operational Planning, Technical Services and Social Services

> Evaluation and selection of actions within implementation of ITI (depending on final decision of the MA concerning delegation of duties)

> Members go through training (provided by MA) on criteria and procedures required

> Monitoring of the overall progress of the Strategy and its achievements; proposes modifications/alterations on Strategy to MA, etc.
**General description of the implementation steps of the ITI in Larissa**

- Planning of strategy (City – Team 1)
- Approval of strategy (Managing Authority)
- Announcement of invitation(s) for actions (Managing Authority)
- Evaluation & selection of actions (City – Team 2)
- Approval of actions (Managing Authority)
- Implementation of separate actions (City Services, other beneficiaries, Team 1)
- Monitoring of progress/reviews (City – Team 2, Managing Authority)
3.2. Making the strategy concrete – The partner visit

In the Larissa ITI the intervention area had to be selected within the city limits. The central area was recognized as an intervention area characterized by multiple degradation problems. Some key actions to be implemented are the improvement of accessibility and mobility and the promotion of cultural and tourist activity upgrading the central infrastructures (completion of the Proscenium of Culture).
4. EUROPEAN METROPOLE OF LILLE, FRANCE

4.1. The context of the Article 7 strategy

**Functional Urban Area**

It covers 31 areas in 21 cities inside the European Metropole of Lille (EML). These areas are defined at national and at regional level, linked with the local level expectation.

EML: 1.2 million inhabitants with 90 municipalities (City of Lille: 227,000 inhabitants)

**Strategy to be implemented**

ITI Strategy European Metropole of Lille – European part of the national “Contrat de ville” strategy

**National context concerning Article 7**

In France, the “Politique de la ville” includes the integrated urban approach, the current programme is valid from 2015-20, in concordance with the 2014-20 European calendar. This is why European structural funds have been integrated into the new “Contrats de ville” (contract between all the stakeholders in the neighbourhoods like the Metropole, cities, law agency, health ministry, etc) on an intercommunal and metropolitan scale.

All French ITIs are dedicated to disadvantaged neighbourhoods. The national Ministry elaborated a map identifying these neighbourhoods through 2 indicators: the average income per inhabitant and a minimum of 1,000 inhabitants/km² inside the neighbourhood. The French law fixed the list at national level, like every generation of the Politique de la ville. The regions have become the managing authority which in the French context can be read as a form of decentralisation.

On this base, for the Regional Operational Programme the local level (the European Metropole of Lille) and the regional authorities agreed on the neighbourhoods to add. It was a difficult step because the new law reduced substantially the neighbourhoods. For some Mayors it meant a huge reduction of subvention to develop the city: Thus it was decided that all the previous neighbourhoods evinced from the law became territories of regional interest. All these territories are mentioned in the Contrat de ville.

From a national perspective multi-fund financing is not foreseen. ESF is entirely regulated at national level, with the clause that 10% of ESF funds have to be concentrated on cities within Politique de la ville.

**Managing Authority**

Regional Council Hauts de France

new Region established in January 2016 after administrative reform, unifying former Nord-Pas-de-Calais and Picardie regions
Funding arrangements

For the ITI strategy 37 million € ERDF, 5 IP are covered:

> Urban renewal: 15 million €
> Heritage renewal: 5.8 million €
> Energy efficiency in social housing and public buildings: 8.2 million €
> Development of SME: 5 million €
> Digital uses: 3 million €

Other funds: mostly cities and metropole funds. 70 % of the funding is secured.

Local policy challenge

The European Metropole of Lille has a lot of opportunities but is still facing some challenges (unemployment, precarious living, lack of housing) with a spatial repartition of social and economic inequalities.

Strategic Objectives

> Employment and economic activities inside the concerned areas
> Urban renewal
> Housing and housing process
> Education
> Security and delinquency prevention
> Access to care and to health prevention

Organisation

The EML answered the Regional Council call for proposals to develop an ITI in November 2015. The ITI strategy has been adopted in March 2016. Since then, the EML can select projects.

Two steps-way:

> Technical committee to propose a decision and working on all the administrative documents needed for the selection
> Political committee composed of all mayors of deprived areas for the final decision (same committee as the whole Contrat de ville)

The EML is responsible for selection, not for instruction of projects. The selection of projects takes place through thematic calls for proposals for the 21 involved cities. EML is in regular contact with the MA for coordination, in touch at least once a week.
4.2. Making the strategy concrete – The partner visit

A central brownfield area in Lille is an example of the ITI strategy for the European metropole. The neighbourhood of Fives is central in terms of accessibility (2 metro stops from the main station Gare de Flandres) but until very recently the machinery complex Fives Cail Babcock (FCB) with 17 ha was out of sight for the inhabitants, behind a wall, even though in direct neighbourhood of the workers dwellings. In disuse, it will become part of the urban fabric changing identity and image with public and green spaces, 1200 new apartments and a new hostelling school, a “halle gourmande” which is socially inclusive with a community kitchen created in a participative way. Partly, FCB will be also funded by Urban Innovative Actions (UIA).
5. LUBLIN, POLAND

5.1. The context of the Article 7 strategy

Functional Urban Area
Lublin: 340,000 inhabitants = 62.6% of Lublin Functional Area (LFA)
LFA: 16 municipalities distributed in 1,582 km with 548,500 inhabitants

Strategy to be implemented
Integrated Territorial Investment Strategy of Lublin Functional Area for 2014-2020

National context concerning Article 7
In Poland the use of ITI as the preferred Article 7 tool was decided early at national level. More than 3 billion Euro of ERDF are dedicated to it, the highest envelope of all EU Member States. Target cities are the capitals of all the 16 regions (voivodships) making at the same time the Functional Urban Area (FUA) approach compulsory. The objective is to foster cooperation across levels of government in functional urban areas. This intercommunal dimension - in many cases with an urban-rural perspective - had to be established with the ITI association. This is an institutionalised partnership led by the core city. The ITI is being managed within the Regional Operational Programmes.

The Ministry of Regional Development accepted the ITI Strategy for the Lublin FUA on March 31, 2016, the Marshal Office accepted it on April 12, 2016. Currently, all municipalities are preparing the documentation for projects. The implementation of the first projects should start in the second part of 2017.

Managing Authority
Marshal Office of Lublin Voivodship at regional level

Funding arrangements
Total allocated by ROP: 105,405,932 €
> ERDF: 93,330,393 €
> ESF: 12,075,539 €

The Strategy bases on the European funds. The primary source is the ROP of the Lublin Voivodship, other programmes with possible funds are national ones: OP Infrastructure and Environment and OP Eastern Poland.

Local policy challenge
Mission: The City of Lublin and municipalities of LFA actively and effectively lead activities to eliminate barriers of development, growth of social and economic activity, putting on the principle of partnership and complexity of operations, increasing the functionality of the area in which they operate.
Strategic Objectives of ITI Lublin Functional Area

Primary Objective: Improving the social, economic and territorial cohesion within LFA

Development Goals

1. Raising the level and accessibility of education, labour market, social inclusion and innovation in LFA

2. Improving transport mobility, carbon efficiency and the preservation and promotion of the natural heritage in LFA

3. Acceleration of sustainable development through spatial and social revitalization taking into account ICT in LFA

Organisation

> Agreement of Communes in Lublin Functional Area

> Lublin took the role of the Leader of LFA representing all the communes and acting as the Intermediate Body.

> However, main decisions in LFA are taken by the ITI LFA Council that was also established under the Agreement. The ITI LFA Council includes representatives of executive bodies of the Parties or persons representing them (one in each municipality). The representative of Lublin City is a Chairman of Council.

> Bureau of Integrated Territorial Investment (ITI Office) set up on 1 April 2015 in the structure of the Lublin City Office with a team of 10 persons in two units.

Unit 1: ESF, Technical Assistance

Unit 2: ERDF, Strategy & Monitoring
5.2. Making the strategy concrete – The partner visit

One of the main goals of the ITI of Lublin Functional Area is to improve the mobility system of the city of Lublin and of the functional area. The central bus terminal located very close to the old town will be moved next to the central station for a better intermodal connection, also for commuting within the functional area. This intervention leaves the space to a big revitalization project in the central spot and its neighbourhood.
6. OLOMOUC, CZECH REPUBLIC

6.1. The context of the Article 7 strategy

Functional Urban Area

Olomouc Agglomeration: 240 municipalities with 452,000 inhabitants

The three centres Olomouc (100,000 inhabitants) with Prostějov and Prerov have 188,100 inhabitants. All the other 237 municipalities together have 263,900 inhabitants.

Strategy to be implemented

ITI Strategy of the Olomouc Agglomeration

National context concerning Article 7

The Czech Republic is divided into 14 regions, incl. Prague (with a special OP Prague). The Czech Republic has opted for the ITI within Article 7, in a very specific way: 6 National Operational Programmes will support the ITI, involving 6 national Ministries for the different competences as Managing Authorities. The Ministry of Regional Development establishes the framework for managing and implementing EU Structural and cohesion funds.

Olomouc Region is one of the 14 Czech administrative regions. The Olomouc Agglomeration was created with functional criteria of population concentration etc. for the purpose of the realization of the ITI according to Article 7. The agglomeration is made of the core city Olomouc with two smaller urban centres with close socio-economic links in a functional partnership with 237 small rural towns and villages in the hinterland. Especially for these communities around the urban centres the integrated approach is new.

Managing Authority

Each involved operational programme has established its national managing authority as follows:

> Integrated Regional Operational Programme – MA: Ministry of Regional Development
> OP Transport – MA: Ministry of Transport
> OP Enterprise and Innovation for Competitiveness – MA: Ministry of Industry and Trade
> OP Research, Development and Education – MA: Ministry of Education, Youth and Sport
> OP Environment – MA: Ministry of the Environment
> OP Employment – MA: Ministry of Labour and Social Affairs

Regular workshops organized by the Urban Policy Department (Ministry of Regional Development) take place every 1-2 months, meetings in ITI leader cities (MAs are invited) and monitoring committees of OPs where the ITI teams are invited as well.
Funding arrangements

Total allocated by OPs: 163,868,325 €

> ERDF: 120,537,397 €
> ESF: 4,268,717 €
> CF: 39,062,211 €

In the Olomouc ITI funding is combined from three ESI funds: ERDF, ESF and Cohesion Fund.

Local policy challenge

The local policy challenge can be seen as the weak economic performance and insufficient job creation, which have the roots in low entrepreneurship, investment activities of small local businesses, low FDI, insufficient development of the knowledge economy and insufficient or unsatisfactory infrastructure. The above-mentioned problems then result in a labour market failure and a declining attractiveness of the agglomeration.

Strategic Objectives of the ITI

1. Promoting balance of supply and demand on the labour market
2. Creating conditions for the development of the knowledge economy
3. Infrastructure development, improving the quality of life and increasing attractiveness of the territory

Organisation

The ITI team consists of ITI managers: methodist, financial manager, 3 thematic coordinators.

> W1: Education & W6: Cultural monuments
> W2: Employment and labour market & W3: Science and research
> W4: Mobility & W5: Environment

The thematic coordinators communicate with the Managing Authorities regularly (it is different for various OPs), mainly for the purpose of preparation of calls for submitting project proposals.

There have been 6 ITI Committees held since June 2016. The City has issued the first 11 calls for submitting project proposals. There were 29 project proposals submitted by applicants at the end of March 2017. 12 project proposals have been assessed by the ITI Committee compliant with the ITI strategy. The ITI Committee has also approved the operational manual of the ITI implementation body and ITI communication plan. For the purpose of submitting project proposals and communication with applicants serves a web application created by an external supplier.
6.2. Making the strategy concrete – The partner visit

Olomouc with the ITI strategy is working on different needs identified in an integrated way. The development of business and job creation is connected to knowledge economy having a long tradition as a University city with research and development potentials. At the same time the attractiveness in terms of social innovation and accessibility of the city and the agglomeration in terms of mobility infrastructure is going to be raised.
7. PESARO, ITALY

7.1. The context of the Article 7 strategy

**Functional Urban Area**

Pesaro-Fano: 360,000 inhabitants

Municipality of Pesaro: 93,000 inhabitants & Municipality of Fano: 61,000 inhabitants

The two main centres Pesaro and Fano have introduced a new institutional partnership for the ITI, with a homogeneous urban system including more than twenty small Municipalities. It can be considered as a unique integrated urban system contiguous along the Adriatic coast of the Marche Region.

**Strategy to be implemented**

ITI Pesaro-Fano

**National context concerning Article 7**

For Article 7, Italy besides National Operational Programmes combining ERDF and ESF for specific issues, like metropolitan cities (PON METRO), is using Regional Operational Programmes for ERDF and ESF, which is the case of Marche Region.

In the Regional Operational Programme of the Marche Region combining ERDF and ESF within Article 7 the ITI has been chosen as the appropriate instrument for the urban development of mayor cities in the 5 provinces.

In a competitive call at the beginning of 2016 three strategies have been selected for funding: Ancona (strategy “Waterfront 3.0”), Ascoli Piceno (strategy “From past to smart”) and Pesaro-Fano with the common strategy - ITI Pesaro Fano.

**Regional Managing Authority**

Marche Region

**Funding arrangements**

For the ITI strategy: 9,277,203 €

- ERDF, ESF: 80 %
- Municipality: 20 %

The ITI Strategy Pesaro-Fano focusses on the two cities but it will produce positive impacts (environmental/social/economic) upon the entire territory and communities.
Local policy challenge

Culture as main policy driver for recovery and revitalisation of city centres and of some containers of strong urban and social identities

Strategic Objectives of ITI Pesaro-Fano

> Enhancement of entrepreneurial initiative and innovation supported through ppp and financial engineering instruments

> Active and open place open to interchanges, to generational and multi-ethnic integration – Culture as an engine

> Energy-efficient and "carbon-free" community

> Accessibility of services – intermodal mobility systems – digitalization of information

Organisation

The Lead urban authority, Pesaro Municipality has the following priority tasks:

1. Sign the Convention with the Managing Authority (AdG) contained the approval of the strategy

2. Implement the strategy, jointly with the urban authority partner (Municipality of Fano), ensuring the respect of procedures by ERDF and ESF operational programmes of Marche Region

3. Send to the Managing Authority (AdG) the interim and final reports on implementation of the strategy.

Both urban authorities (Pesaro and Fano) have been identified as intermediate bodies and therefore responsible for the management and implementation of the strategy, in accordance with the principle of good administration and financial management.

An associate office for managing the development of European funding opportunities has been established. A formal partnership agreement with all involved municipalities was officially signed in January 2017.
7.2. Making the strategy concrete – The partner visit

Culture is the main policy driver of the ITI strategy for the revitalisation of the city centre of Pesaro focusing on music. As the birth place of the composer Rossini Pesaro has developed the Campus of Music as one of the main interventions. A key action is put in a system: music industry, both from the infrastructure point of view and from the point of view of the stakeholders. The Campus will be located in Palazzo Ricci, a communal property now unused, located in the city centre next to the seat of the Conservatory.
8. SEVILLE, SPAIN

8.1. The context of the Article 7 strategy

**Functional Urban Area**

Zona Norte (Northern Side): 90,000 inhabitants, 17.2 km² with 17 neighbourhoods

City of Sevilla: 699,000 inhabitants

**Strategy to be implemented**

Socioeconomic Development in Zona Norte - Integrated and Sustainable Urban Development Strategy EDUSI

**National context concerning Article 7**

Spain developed a national Article 7 funded mechanism through a multi-purpose Urban Axis under the OP for Sustainable Growth (POCS) 2014-20. It is entirely devoted to finance action lines for Sustainable and Integrated Urban Development, taking into account different needs of local areas in the country. The Urban Axis (ERDF) has 1,012,754,015 Euro for the whole period. It targets municipalities and inter-municipal associations constituting a functional urban area, with a population of over 20,000 inhabitants. The total budget will be allocated through National open competitions among eligible municipalities and inter-municipal associations.

The first national call of the Urban Axis was in November 2015, deadline for applications in January 2016, provisionally approved in October 2016 and Seville Integrated and Sustainable Urban Development Strategy (EDUSI) has been definitely approved in December 2016. There is no other European funds financing system dedicated exclusively and specifically to sustainable urban development. The EDUSI represents an integrated approach with economic, social and ecological challenges identified.

**Managing Authority**

Ministry of Finance and Public Administration, Directorate General of Community Funds. The General Management Branch ERDF is the Managing Authority, where there is a post for each axis of POCS.

The General Department of Territorial Cooperation and Urban Development is the intermediate body, together with the General Department of Local Cooperation, Directorate General Skills Coordination with the Autonomous Regions and Local Authorities, which organically is located in a different State Secretariat.

**Funding arrangements**

Implementation Plan (POCS) for Zona Norte: 18.75 million €

- TO 2: 2,000,000 €
- TO 4: 4,737,000 €
- TO 6: 5,450,500 €
- TO 9: 6,562,500 €
Local policy challenge

- Improve quality of life
- Eliminate poverty pockets
- Improve connectivity
- Foster internal social integration and communication
- Provide economy and employment encouragement

Strategic Objectives

Concerning the socio-economic innovation of Zona Norte

- Upgrading public services following a smart, innovative and participative model of the city
- Reducing the CO₂ emissions and the cost of the services
- Recovering degraded spaces for the well-being of the citizens
- Creating opportunities for the residents, in order to fight social exclusion
- To support quality employment and entrepreneurial tissue

Organisation

For the implementation of the EDUSI in the Zona Norte the mechanism is very similar to the ITI, the only difference from an ITI are competitive calls. The first call was held in December 2015/January 2016 with deadline for approval in May 2016. Another call has been opened on October 7, 2016.

Strategy Implementation Team

Under direct supervision of the Mayor and the Governing Team

The team is headed by the Economy Area of Seville Town council and manned by experts in the different affected areas, capable of carrying out strategy actions, following general and specific criteria.

In Seville, an important factor for the implementation is the broad involvement of municipal companies, like EMVISESA (Municipal Company of Housing, Land and Equipment), TUSSAM (Public Transport), LIPASAM (Waste Management) and EMASESA (Water Supply and Sewage).

Furthermore, the team will be in charge of coordinating the city stakeholders which do not belong to the City council (social agents, neighbour associations, NGOs, etc). Frequent meetings are organized by the MA for the responsible people working in ISUD.
8.2. Making the strategy concrete – The partner visit

Interventions in the Zona Norte are part of a broad integrated renewal strategy. For instance, an emblematic heritage building like the former Monastery of San Jerónimo, a listed complex, will be further developed as a neighbourhood centre. An old railway maintenance building will be requalified as centre for digital culture and arts. Among the others, the El Vacie neighbourhood has a Comprehensive Action Plan to relocate Roma families with a social integration process.
SYNTHESIS – FINAL CONCLUSIONS

Steps towards the coproduction of integrated urban development

In the State of the Art of the CIA 7 Baseline study was outlined which paradigmatic change is needed for a really integrated urban development approach. Area-based interventions within an integrated city-wide urban development strategy are most effective means, as the findings from URBACT II confirm: Cities need to act in a comprehensive way, coordinating policies (e.g. spatial intervention on housing, urban planning, mobility with cultural, social and economic interventions), and the work with the community, civil society organisations, with the private sector and other relevant stakeholders. But this is not yet mainstreaming: Integrated urban development needs a radical shift to demonstrate the effectiveness of area-based and cross-sector approaches.

The empowerment of urban areas giving them more responsibility in the implementation of the OP (e.g. as intermediate bodies) is a big opportunity but also a big challenge to cities. In fact, the development of urban integrated strategies requires many interdisciplinary competences at the same time such as knowledge on European funds and their management but also on the cross-sector strategy's themes and priorities.

It is demanding for cities to take over “learning by doing” new administrative responsibilities and the lead for participative processes within innovative arrangements and often newly established functional areas, like required within Article 7. The roles of cities and managing authorities are changing through these new procedures and it will be most important to understand the effects on institutional learning beyond the time frame of Article 7 implementation into mainstreaming.

What remains to be explored is if and how cities can make best use of the new and ambitious tools at their disposal when at the same time they have to adopt new selection procedures and fulfil additional administrative responsibilities. The flexibility of regulations intended at European level opened space for national guidance. This did not always lead to simplified and tailor-made solutions for the involved urban areas but to an extension of requirements to what is already perceived to be a rather complex mechanism.

Implementation challenges of the CIA 7 network

This is in brief the context and the starting point for the “Cities in Article 7” (CIA 7) Implementation Network with the European Metropole of Lille, France as the Lead Partner. They have a strong will to explore how cities benefiting from ERDF funding for the implementation of integrated urban strategies under Article 7 of the ERDF regulation are facing the mentioned challenges and make use of the potentials in terms of management innovation in local government.

Implementation and delivery of cities’ integrated strategies and action plans under the Article 7 framework is the focus of CIA 7 exchange and learning activities. During the discussion in Phase 1 common policy challenges addressed in the integrated strategies of the partners have been identified for a deeper analysis in Phase 2.

The priorities among the optional challenges have been checked by a ranking. Issues have been agreed as key shared challenges.
Table 4: Ranking of Optional Implementation Challenges (1: more – 4: less important)

<table>
<thead>
<tr>
<th>CITY</th>
<th>CHALLENGE 4</th>
<th>CHALLENGE 5</th>
<th>CHALLENGE 6</th>
<th>CHALLENGE 7</th>
</tr>
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<tbody>
<tr>
<td>Bari</td>
<td>1</td>
<td>2</td>
<td>4</td>
<td>3</td>
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<tr>
<td>Duisburg</td>
<td>1</td>
<td>4</td>
<td>4</td>
<td>4</td>
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<tr>
<td>Larissa</td>
<td>1</td>
<td>2</td>
<td>4</td>
<td>4</td>
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<tr>
<td>European Metropole of Lille</td>
<td>1</td>
<td>3</td>
<td>4</td>
<td>2</td>
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<tr>
<td>Lublin</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>1</td>
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<tr>
<td>Olomouc</td>
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<td>4</td>
<td>4</td>
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<tr>
<td>Pesaro</td>
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<td>1</td>
<td>4</td>
<td>3</td>
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<tr>
<td>Sevilla</td>
<td>1</td>
<td>3</td>
<td>4</td>
<td>2</td>
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</table>

This means that the three mandatory Implementation Challenges together with the Optional Challenge 4 “From Strategy to operational action plan” have been considered as the most relevant for the whole CIA 7 network (see table 5). The work on these crucial four challenges will be the focus of the transnational exchange.

Challenge 6 on Procurement has been considered less relevant for the network activities. The topic in general is crucial at local level but it was considered a broad and specific policy field to be discussed in another context.

Challenges 5 Public-Private Partnership and 7 Financial Innovation for few partners are more relevant than for most of the cities. According to their interests they will have the opportunity to use the programme level capacity building which will be developed and dedicated to Implementation Networks focusing on the optional Implementation Challenges later in 2018.

Table 5: Implementation Challenges selected by the CIA 7 network

<table>
<thead>
<tr>
<th>IMPLEMENTATION CHALLENGE</th>
<th>CIA 7 SELECTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. DELIVERY – Ensuring the integrated approach in the delivery of the strategy and their related actions/projects</td>
<td>Mandatory</td>
</tr>
<tr>
<td>2. INVOLVEMENT – Maintaining involvement of local stakeholders and organising decision-making for delivery</td>
<td>Mandatory</td>
</tr>
<tr>
<td>3. IMPACT – Setting up efficient indicators and monitoring systems to measure performance</td>
<td>Mandatory</td>
</tr>
</tbody>
</table>
Concrete challenges - Offers and needs from the cities

Concrete implementation questions for the selected challenges have been discussed and elaborated in the transnational meeting and in the inquiry of the Lead Expert among the partners. The partners from their local activities of implementing integrated strategies according to Article 7 listed their offers and good practices together with their exchange and learning needs.

In the following aggregated overview (table 6) the broad range of experiences of the partners concerning the implementation process becomes evident. Looking at the learning needs there are many questions rising on how to handle the complexity of integration and where to find simple and transferable models.

This overview will be the common base of concrete work in the transnational exchange of the CIA 7 network on the Implementation Challenges in WP2. There is a balance between the partners: experiences and learning needs are mentioned everywhere which means that the knowledge transfer will never be one-way but fruitful to all the partners.

As mentioned in the State of the Art chapter 3, COMMUNICATION for the CIA 7 partners has been confirmed as a crucial and transversal tool in all challenges. This will be discussed and elaborated in all the sessions of the transnational seminars.
Table 6: Concrete challenges and Gives & Takes from the cities

<table>
<thead>
<tr>
<th>IMPLEMENTATION CHALLENGE</th>
<th>CONCRETE IMPLEMENTATION QUESTIONS</th>
<th>OFFERS AND GOOD PRACTICES FROM CITIES</th>
<th>LEARNING NEEDS FROM CITIES</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. COMMUNICATION</td>
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<tr>
<td>1. DELIVERY—Ensuring the</td>
<td>How to work together in the project</td>
<td>15 years of integrated strategy</td>
<td>Deal with management of</td>
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<td>integrated approach in the</td>
<td>coordination during the implementa-</td>
<td>implemented together with national</td>
<td>integration as a new task,</td>
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<td>delivery of the strategy</td>
<td>tion of the integrated strategy?</td>
<td>regional levels for “Politique de la</td>
<td>integration manager as a</td>
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<td>and their related actions</td>
<td>How to assure the cooperation and</td>
<td>ville”</td>
<td>new qualification</td>
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<td>projects</td>
<td>joint involvement of relevant city</td>
<td>Pilot committee to develop</td>
<td>Learn how other cities</td>
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<td></td>
<td>departments in implementation?</td>
<td>coordination between technical units</td>
<td>establish coordination</td>
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<td>How to develop co-responsibility?</td>
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<td>to bridge the gap between</td>
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<td>How to coordinate conflicting</td>
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<td>hierarchy and integration</td>
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<td>interests between municipalities</td>
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<td>and above all between the public/</td>
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<td>local authority and local</td>
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<td>Implement the integrated</td>
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<td>stakeholders?</td>
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<td>approach in revitalisation</td>
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<td>The strategy has been developed</td>
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<td>policy</td>
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<td>with an integrated approach. Logics</td>
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<td>and MA for implementation are</td>
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<td>Improve cross-department</td>
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<td>different for ERDF &amp; ESF projects</td>
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<td>integration (resources,</td>
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<td>(not integrated): How to manage to</td>
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<td>staff): All levels are to</td>
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<td></td>
<td>get integrated projects/actions</td>
<td></td>
<td>work sectorally with their</td>
</tr>
<tr>
<td></td>
<td>out of it?</td>
<td></td>
<td>technical know-how.</td>
</tr>
<tr>
<td></td>
<td>How to improve the harmonization</td>
<td></td>
<td>Manage fragmentation of</td>
</tr>
<tr>
<td></td>
<td>of various EU funds (towards one</td>
<td></td>
<td>OPs with mixed funding:</td>
</tr>
<tr>
<td></td>
<td>unique funding instrument)?</td>
<td></td>
<td>different strategies,</td>
</tr>
<tr>
<td></td>
<td>What is the way and structure to</td>
<td></td>
<td>objectives, publics</td>
</tr>
<tr>
<td></td>
<td>learn to think and work together</td>
<td></td>
<td>Synchronise timetables</td>
</tr>
<tr>
<td></td>
<td>in an integrated way at all levels</td>
<td></td>
<td>at all levels of admin-</td>
</tr>
<tr>
<td></td>
<td>(operational, strategic)?</td>
<td></td>
<td>istration for implementa-</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>tion</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>Integrate investment</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>(infrastructure) and non-</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>investment (contents) parts</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>of the project</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Deal with internal &amp;</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>external (community)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>stakeholders</td>
</tr>
</tbody>
</table>

COMMUNICATION as a transversal tool in all challenges
### 2. INVOLVEMENT – Maintaining involvement of local stakeholders and organising decision-making for delivery

- Maintaining involvement of local stakeholders, consultation and participative issues during implementation process: How to develop different formats for various local stakeholder groups (e.g. citizens, businesses, third sector)?
- How to guarantee the involvement of the relevant stakeholders in the implementation of strategies?
- What are the right moments for involvement in the process? It is a long-term process - participation is foreseen for strategy (before) and results (after), not always in implementation. How to maintain enthusiasm and motivation? How to coordinate conflicting interests? How to access NGOs?
- How to organise decision-making within the public institutions involved: management of resources between city, region, managing authority. Different sectors and levels: national/regional (e.g. city networks), city (round tables, forum), neighbourhood management.
- How to organize networking and participation at the scale of a greater functional area?

- Long-term implemented neighbourhood participation model
- Focused involvement of sectoral stakeholders in thematic deliberations
- Urban Center as place of cooperation and learning among stakeholders
- Providing methodologies in mapping and engaging key stakeholders (matrix influence/interest)
- Interdepartmental working group at city level
- Good cooperation with MA & other cities in specific networks
- Agreements on rights and responsibilities with MA and municipalities of functional area in ITI strategy
- Supporting other partners in developing a plan/strategy of engagement and in selecting most appropriate tools for strengthening the community involvement (participation Who/When/How)
- Experiences with local participatory and green budgets

- Reach agreement on action plan by all stakeholders: make spending for stakeholders participation strategy during implementation (esp. at start) eligible
- Develop tailor-made communication plans for each kind of stakeholders
- Develop long-term process for long-term projects
- Strengthen trust and keep stakeholders involved, improving knowledge in case of lack of experience with stakeholder engagement
- Use innovative methods, tools and design (maps, drawings, images) to facilitate participation in implementing the plan
- Need for coaching & mentoring in participatory planning and bottom-up approach in policy making & implementation
- Maintain interest of financial stakeholders (different timing)
- Overcome mismatch of timelines of participative implementation & spending pressure
- Bring different interests and expectations together in a constructive way: clear vertical and horizontal structures with acceptance rules
- Facilitate integration of marginalised communities and of peripheral areas
- Continue cooperation of partners in functional area after implementation of ITI strategy
### 3. IMPACT – Setting up efficient indicators and monitoring systems to measure performance

<table>
<thead>
<tr>
<th>How to achieve better cooperation with MA for the action plan to be implemented?</th>
<th>Make money available for (unexpected) participatory process - contingencies not foreseen in ERDF</th>
</tr>
</thead>
<tbody>
<tr>
<td>What about integration in monitoring and evaluation of actions to be implemented?</td>
<td>Achieve a more flexible approach to ITI evaluation and monitoring</td>
</tr>
<tr>
<td>How to advocate the usefulness and impact of the integrated strategy?</td>
<td>Develop a more comprehensive and appropriate indicator framework to get to know if intervention was successful</td>
</tr>
<tr>
<td>Which benefits for different stakeholders (e.g. residents, business)?</td>
<td>Find cross-sector indicators for complex projects</td>
</tr>
<tr>
<td>If you need city-wide monitoring, on what base? E.g. data collection at national level (with time lags on availability of statistics) broken down to local level vs. data collection at local &amp; neighbourhood level</td>
<td>Monitor efficiently the ongoing process and overall outcomes with limited physical and financial resources</td>
</tr>
<tr>
<td>ERDF/ESF result indicators, only few at MA level: Reporting of output indicators and impact evaluation with qualitative indicators, e.g. quality of life, are needed. How to measure and evaluate change?</td>
<td>Create a comprehensive monitoring system (still fractured) - System of monitoring projects on the ground.</td>
</tr>
<tr>
<td>How to develop monitoring mechanisms to capture relevant and qualitative results of strategies?</td>
<td>Simplify &amp; reduce number of indicators imposed by MA and national level in a meaningful way. ITI strategy has indicators not always well-defined (question of relevance)</td>
</tr>
<tr>
<td>Setting the system of monitoring indicators in the strategy</td>
<td>Improve coordination MA &amp; Intermediate Bodies to improve management of procedures regarding launch of calls, application of EU Regulations and procedures related to financial issues (cofunding rates)</td>
</tr>
<tr>
<td>Monitoring indicators and their definitions (MA methodology)</td>
<td>Work on methodology for qualitative evaluation to reach expectations and recognition of inhabitants, in terms of social capital and urban quality</td>
</tr>
<tr>
<td>Set of performance indicators for MA</td>
<td></td>
</tr>
</tbody>
</table>
### 4.

**QUALIFYING PROCESS** — Moving from strategy to operational action plan

- Eligibility guidelines and rules are complicated, how to make a detailed implementation plan fit into them?
- Cohesion policy is main funding opportunity, but often connected with many other programmes (national, regional) with different rules. How to coordinate this mix including different time frames, risks and delays at operative level?
- How to handle activities/projects financed by other resources (out of ITI budget) contributing to the integrated strategy?
- ERDF funded activities receive support from MA, as a question of policy visibility for the integrated strategy — but actions have to be adapted at local level. How to improve this step?
- Local specifications of MA calls - potential beneficiaries are known before, but for selection of actions time line at local level is often narrow. How to work on this challenge?
- Analysis of strategy’s actions using Work Breakdown Structure Method (WBS) into phases, deliverables and work packages, creating cooperative networks between city departments and other organisations
- Implementing internal procedures that involve different departments
- Internal digital system for monitoring project documentation intended to be implemented for SUD
- New partnership department to optimise funding, national & regional funds together with European funds. It works from the project and not from the funds.
- Elaboration and setting parameters of calls for applications schedule, monitoring absorption capacity
- Setting up the financial plan
- Executive manual for definition of responsibilities as Intermediate Body
- Establishment of official agreement between MA and Intermediate body assuring good and fluid cooperation in ITI implementation
- Dialogue between city and MA on how to implement operational plan
- Make an action plan feasible
- Detail the contents of physical interventions from general compulsory objectives
- Break down actions of the strategy in workflow, milestones, allocated budget, monitoring of project documentation
- Promote internal dialogue between technical structures to maintain interdisciplinary approach to implementation
- Allocated funds for Technical Assistance in OP for eligible cities regarding planning & implementing SUDs
- Have better governance inside decision-making delivery
- Develop coordination with MA about timetable
- Develop working link with ministries and regional level to know early about funding opportunities in pipeline in order to anticipate them
- Create legal framework for local authorities in implementing actions that include funding individuals (persons or SMEs) — actions vital for effectiveness of SUD
Framework of exchange and learning in Phase 2

The overview on the partner profiles, concerning the implementation of integrated strategies shows ongoing practical experiences with the delivery of urban development strategies. At the same time there are a lot of common questions rising among the partners and a broad diversity in dealing with them. With a strong will of ‘learning by doing’ the partners will use the network activities to improve their local expertise and to distribute the lessons learnt to a broader audience in Europe.

Table 7: Similarity and diversity

<table>
<thead>
<tr>
<th>IN COMMON</th>
<th>DIFFERENT WAYS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Implementation of integrated urban strategies</td>
<td>Article 7 options: Operational Programme, Urban Axis, Integrated Territorial Investment</td>
</tr>
<tr>
<td>and action plans under Article 7</td>
<td></td>
</tr>
<tr>
<td>Management and responsibility of selection of</td>
<td>Character and scale of area: neighbourhood, city centre, twinned cities, intercommunal cooperation</td>
</tr>
<tr>
<td>operations</td>
<td></td>
</tr>
<tr>
<td>Establishing strong relations and knowledge</td>
<td>Competences and delegation of intermediate bodies, capacity building support by MA, involved OP and MA at national or regional levels</td>
</tr>
<tr>
<td>transfer with Managing Authorities</td>
<td></td>
</tr>
<tr>
<td>Monitoring and evaluation of implementation</td>
<td>Different complexity of sets of indicators: quantitative outputs rather than qualitative outcomes</td>
</tr>
<tr>
<td>Management of budget</td>
<td>Timeline of programmes for spending: sometimes ambitious, sometimes delay in state of implementation process with risks of underspending</td>
</tr>
<tr>
<td>Partners as change agents and “integration</td>
<td>Different range of framework conditions, sectoral and hierarchical thinking</td>
</tr>
<tr>
<td>managers”</td>
<td></td>
</tr>
</tbody>
</table>

On the basis of the overview of potential resources and needs of the CIA 7 partners and the questions concerning the implementation challenges a framework for exchange and learning during Phase 2 has been developed. These challenges are interlinked and sometimes overlapping. All partners will be involved and contribute to the 4 core challenges.

To operationalise this framework, under the 4 selected implementation challenges working teams among the partners will be grouped to prepare the contents in a feasible and intense way: 3 partners per implementation challenge will form a responsible trio which together with the Lead Expert works on the concrete aspects and examples and questions to be raised in the debate. Usually, there will be at least one more experienced partner and 2 learning partners. All partners will work on 1-2 challenges to better contribute and have thematic cross-over effects.
Table 8: Working teams (partner trios) for the work on the Implementation Challenges

<table>
<thead>
<tr>
<th>CHALLENGE</th>
<th>PARTNER 1</th>
<th>PARTNER 2</th>
<th>PARTNER 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>European Metropole Lille</td>
<td>Olomouc</td>
<td>Seville</td>
</tr>
<tr>
<td>2.</td>
<td>Bari</td>
<td>Lublin</td>
<td>Pesaro</td>
</tr>
<tr>
<td>3.</td>
<td>Olomouc</td>
<td>Lublin</td>
<td>Pesaro</td>
</tr>
<tr>
<td>4.</td>
<td>Larissa</td>
<td>Duisburg</td>
<td>European Metropole Lille</td>
</tr>
</tbody>
</table>

The organisation of the preparation and fine-tuning of the implementation challenge workshops within the Partner Trio together with the Lead Expert is one element of capacity building. The Lead Expert with the extended knowledge on all partner profiles will also elaborate case studies on the knowing partners for the transnational seminars. These two elements will be the main input for the common work in the IC transnational seminar where all partners will be involved with communicative facilitation techniques.

As described Article 7 requires a special and intense relationship between cities and their Managing Authorities. The involvement of Managing Authorities in strategic local events or even better in the work of the URBACT Local Groups is something which some partners are already experiencing and recommending.

This kind of relation is new to some cities but under the conditions of shared responsibility and delegation of competences which characterise Article 7 generally, there is a necessity and at the same time opportunity for knowledge exchange and institutional learning between these administrative levels. One should consider that none of the involved institutions is used to the mechanisms introduced – in this work in progress all of them need accompanying exchange, transfer and support.

One important element for Phase 2 will be a special session of CIA 7 together with the respective Managing Authorities and if possible with GD REGIO, first, for an open exchange on the practical experiences in implementing the Article 7 tools, second, to build up a dialogue platform between European cities and their Managing Authorities within the working process, not only at the end with the high-level final event, in order to prepare the field for better targeted recommendations for implementing integrated urban development strategies in European cities in the future.