

Speech by Commissioner Danuta HÜBNER

***"Networking is an important tool
in sustainable urban and territorial development"***

URBAN-URBACT Conference

Berlin, 5 November 2007

Ladies and gentlemen,

First of all, I would like to say how pleased I am to see so many of you here today from so many European cities. Cities from all over the EU. Cities with different development and backgrounds, challenges and possibilities. Cities that mirror Europe's diversity. We have all come to Berlin, to talk about present and future challenges and how we can use the instruments of EU Regional Policy. We want to concentrate our energies and talents and focus on Europe-wide common strategic goals.

Please allow me, on this occasion, to express my special thanks to Germany (State Secretary HENNEKES) and the city of Berlin (Permanent Secretary Hella DUNGER-LÖPER) for hosting this very special event.

Let me start with a few words on opportunities and challenges that European cities face and which have actually brought us here.

Since the publication of the fourth Cohesion Report we have been talking a lot about the challenges Europe is facing - demographic change, globalization, territorial imbalances, energy and climate change. And we see today that they will be coped with primarily in our cities and towns. We will need complex policy mixes based on the principles of sustainable development. That good news is that we have a general consensus on the diagnosis and we know the direction to follow. Let me elaborate this a bit further:

A few months ago the Commission adopted the fourth Cohesion Report, an important contribution to launching the debate on the future Cohesion Policy. We also analyzed the data coming from the Urban Audit, which provide interesting elements on the situation and trends in our cities. We have the Cohesion Guidelines which indicate the main orientations for urban policy in the context of European Regional Policy. And, we have many policy documents agreed by all the Member States, which indicate the guidelines for sustainable urban development. The last of these is the "Leipzig Charter" on Sustainable European Cities.

Altogether, these documents provide us with a consensual and consistent basis for analysing the situation and for policy development. They all, at the same time, point to one principal opportunity for Europe and its urban areas. Our towns, cities and agglomerations clearly are the key location for technological and managerial innovation; they are the centres of research and education. They are the catalysts for economic growth and the creation of quality and sustainable jobs. And we need them as the drivers of regional economic development in Europe.

We need to make use of their potential. And – what I find essential - cities need to be encouraged to take the lead in this process of making the Union more competitive, more innovative and more ecologically and economically sustainable. You, the cities, are vital for Europe's future. But that also means that you are responsible for Europe's future.

Europe's cities face with particular intensity all major challenges I mentioned before:

- If you think of demographic changes: ageing, migration and depopulation are already influencing urban development and today 85 regions of the EU have experienced an absolute decline in population. We may expect a decline of the working age population from 2011 onwards. For the cities of more than 100,000 habitants we can see in many cities, especially in the new Member States and in Eastern Germany, already now a reduction in the number of inhabitants as a result of both emigration and low birth rates. At the same time, other cities and regions experience a rapid increase in population because of the many arrivals from the countryside and large inflows from immigration.

- Globalisation means that cities need to diversify their economic structure into new, growing sectors. They need to compete with other innovation hubs in the world, both for R&D investments and the quality of researchers and the level of final products and services. Cities are the hubs for the competitiveness of our economies. They have to actively operate to attract firms and investors and to create the conditions for their improved competitiveness. Firms rely on externalities in the form of public goods (infrastructure, services, education, environmental and cultural assets), agglomeration, transport and networking advantages but also quality of life in general.
- But we all know only too well that as economic activities tend to concentrate in certain urban centres playing global roles this leads to increased negative externalities, widened gaps between metropolitan areas and smaller towns lagging behind, and at the same time also to internal gaps between urban areas and related rural hinterland. This can be accompanied by a trend towards suburbanisation, causing decline in downtown areas.
- There will be an asymmetric impact of climate change on European cities. They will have to work in order to mitigate this impact and to adapt to it. The EU is committed to reducing greenhouse gas emissions and increasing energy efficiency. Again, cities are major players in this respect. Many aspects of urban life will be affected and will need adaptation and change. Of course I do not have to tell you that adaptations and change might also create opportunities for our cities and for our economies. For example, the recently adopted Green Paper on Urban Transport (25.9.2007) stresses the importance of cities and urban areas in order to win the fight against climate change and to promote energy efficiency through improved urban transport systems.

Confronted with these main challenges, cities have to reach often conflicting goals. Sustainable development is not a 'natural' outcome: it requires strong strategic thinking and governance. We have to bear in mind that natural trends would most probably lead us towards a rather unsustainable and uncontrolled development of urban areas. So we have to work against such trends and actively shape our future.

We do not start from scratch - that is actually the good news - we have learnt from our previous experience and can build upon it:

The URBAN Community Initiatives and URBACT I have been laboratories for experimenting new approaches: integrated approach, bottom-up strategies and networking. They give us important indications on the best way to implement effective urban development operations and on the most effective methods for learning from experience (capitalisation). These indications constitute an important legacy that can add substantial value to the new generation of programmes covering the planning period 2007-2013. Let me now go into somewhat more detail:

The URBAN Programmes, covering two successive planning periods from 1994 to 2006, have targeted small disadvantaged area, focusing on social inclusion, integration of minorities and preserving the natural and built environment. This approach proved to be very successful: this has been the subject of the conference this morning.

Under the aegis of URBACT, dissemination of knowledge and exchange of experience gathered through these urban programmes have been promoted and successfully carried on by urban networks.

We, collectively, have learned a lot using the tools of URBAN and URBACT I. There are many useful legacies of these programmes:

- Firstly, the integrated approach which puts in place both 'soft' and 'hard' policy measures focusing on one target area from economic, social and environmental perspectives at the same time. This approach, which characterized the URBAN programmes is now widely recognized as necessary in order to define effective actions not only in our cities. This is also true across all development policies.
- A second important legacy has been the recognition how much a strong local partnership of the programme management can contribute to the success of the programme itself. The bottom-up approach, reflecting the real needs of the areas, made local communities take ownership of what had been achieved.

The partnership with the private sector has allowed a strong leverage of Community resources allocated to these programmes.

- Finally we defined, with URBACT, effective instruments for networking between cities and for knowledge exchange, in order to activate a continuous learning process.

This experience has been, I think, extremely positive. Let me remind you how much this experience has contributed to what, I consider, will be the increased added value of the new generation of Structural Funds programmes.

We all agree that the approach tested in the URBAN Community Initiative should be embedded as far as possible in the new generation of EU Regional Policy programmes. This is what we call the mainstreaming of the urban dimension. We should make the best possible use of the broad range of instruments that Cohesion Policy puts at our disposal for urban development. We have the possibility of launching, whenever necessary, in our cities operations based on the integrated approach. We have the possibility of making a wide use of financial engineering instruments for urban development. With the Cohesion Fund we can finance sustainable urban transport and other urban environmental projects. We hope to see the full inclusion of urban and local actors in the implementation of our programmes.

The Cohesion Guidelines referred to the urban integrated approach. They complete what is, I think, a strong framework for including the legacies of the URBAN programmes in the next generation of operational programmes.

The importance of networks as a vehicle for adding value to structural and cohesion policy has been widely recognised and the Commission has launched the initiative "Regions for Economic Change", which specifies the role and the objectives of the network programmes, like URBACT. We have decided together that is extremely important to improve exchanges between cities and regions and to link them to operational programmes, ensuring that, whenever possible, the results of networks activities will be embodied in the different programmes.

And I have not doubt that we will be successful. That is why I am particularly pleased to officially launch the new URBACT II programme today because URBACT II can

play an important role when it comes to capitalizing on our cities' experience, notwithstanding its limited budget.

At this point in time, on the basis of a jointly agreed legal framework and policy guidelines, we have approved most of the operational programmes and let me assure you that during the negotiations, the Commission has worked actively to ensure that the urban dimension is adequately taken into account. On the base of a first assessment of the operational programmes, I can indicate that on the whole the objective of sustainable urban development has been included in the programming process. However, looking at individual programmes, it is fair to say that the extent to which the urban dimension has been taken into account varies considerably.

On a positive note, I would like to mention that all National Strategic Reference Frameworks take the urban dimension into account. In many cases reinforced urban policy measures have been included in the operational programmes.

Though going to different depths in the strategies, the new programmes cover the core aspects of urban development as set out in the Commission Guidelines and in the Leipzig Charter:

1. contribution to growth and employment, and role of urban areas as key actors of the Lisbon strategy,
2. social cohesion in disadvantaged urban areas and neighbourhoods at risk,
3. the development of a more balanced and polycentric urban system and of the sustainable development of the whole urban and metropolitan area.

The challenge is now to transform these strategic options in concrete operational plans and to use all the means and instruments available in the most effective way. For this, strategic thinking, based on a shared vision of the future of our cities, and strong governance, involving all the stakeholders, are required. The urban actors should also dispose of the necessary skills, both general, concerning the management of operations, and specific, related to the issues covered by the intervention. And the necessary institutional framework for ensuring appropriate planning, management and control of urban operations should be in place.

Learning from previous experience and drawing lessons from the actions implemented in other European cities will greatly benefit policy makers and practitioners, define effective urban sustainable development operations. URBACT II is an essential tool in your hands for this purpose. URBACT II will facilitate enhanced exchange of best practices. It will be a precious instrument for networking between European Cities and for exchanging experience in urban development. It will greatly contribute; it is our wish, to an effective mainstreaming of the urban dimension in the Operational Programmes.

Let me also share with you some considerations about the novelties and new characteristics of the URBACT II programme:

1. First, the widened scope of participation and territorial coverage will allow the involvement of cities of different size, covering the whole range of urban situations. Balanced territorial development requires both the reinforcement of our big cities and metropolitan areas and the strengthening of the role of the small and medium-sized European cities. The cities of the Member States that have not participated in the Urban Initiative will greatly benefit from this enlarged coverage.
2. Second, the URBACT II networks will work both on themes linked to the improvement of the competitiveness of urban areas and on themes linked to cohesion in cities and to the development of deprived urban areas. This substantial extension of the scope of the programme will integrate fully the contribution of urban areas to the objectives of Lisbon agenda and take full account of their importance as hubs of innovation and competitiveness.
3. Third, the strong link to the mainstreaming and the creation of what we call "a two-way bridge" between the networks and the operational programmes are key elements in our shared drive towards the increased added value of structural policies. We hope that in most cases the networks will provide us with outcome-oriented action plans that could be possibly financed in the mainstream programmes. URBACT II has become one of the cooperation programmes implementing the Regions for Economic Change Initiative. The

Commission will participate actively in some networks that will be labelled, as you probably know, Fast Track Networks.

To conclude we need to use all the instruments of Cohesion Policy in order to shape together a better future for our cities. We need to strengthen the role of urban areas as competitiveness and innovation hubs. Their capacity to compete determines the perspective of development of our regions. We need to help cities to face social challenges such as segregation, deprived areas, integration of different cultures and communities, marginalisation. We need to master the impact on their territory of different sectoral intervention and to ensure synergies and coherence between them. We have to make the best possible use of all the instruments of Cohesion and Regional policy in order to shape a better future for our cities.

Networking activities on a common European platform, as provided by URBACT, can play an important role, through peer-learning and exchange, in order to improve the governance of urban intervention, promote innovative approaches, encouraging good planning and management practices.

We need to assume a great responsibility: how to use the instruments and the resources of European Cohesion policy in an efficient and effective way, that complement, optimally, the resources available at national level. These challenges are particularly important in convergence regions, and in particular in the regions of the new member countries. And we must be aware that the investments planned will shape the future of our cities for decades. This requires that we learn from each other. Identifying and transferring good practices, in which Europe is so rich, is essential but now we have the opportunity to put in place instruments that can allow this transfer to be more effective.

Yes, networks of cities and regions should be regarded as essential tools for adding value to our programmes. The challenge is to set up systems that take the best experiences into account at European level while respecting the specific context of various Member States and cities. Moreover, we have to improve our techniques and methodologies with regard to the transfer of knowledge and best practice.

That implies that networking programmes should be linked with the capacity building and technical assistance measures that can be financed by the Structural Funds and

are included in the planning of many Member States. Tailored measures of administrative capacity building, skill development and technical assistance at regional and local level should be put in place. The European Commission will act as a catalyst in order to facilitate this process.

I invite you all to participate in the new generation of networks to spread knowledge and best practice – we need your experience and knowledge.

I would like to take this opportunity to thank all of you for your valuable contributions in the development of the programme. On this occasion, a very special "Merci" to France for its extremely valuable contribution to the management of URBACT. "Merci" to Minister Christine BOUTIN and my warm thanks also to Lothar BLATT for his dedication and involvement.

It was here in Berlin, earlier this year, that Member States have agreed on the draft Operational Programme for URBACT II – in an atmosphere of mutual trust and understanding, as my services have told me. Inspired by your enthusiasm for the programme, we, the Commission, have adopted the programme in a record time over the summer – one could say, the programme itself is the proof that the fast track approach really works.

But before I close, let me invite you all to contribute to shaping the future of our policy. Already now, we have started to think beyond the year 2013 up to the 2020 horizon. It is clear that the main challenges that I discussed earlier in my speech are set to stay with us for a while. And at the same time they will evolve. That is why our policy – and EU policies at large - needs to evolve, too. We need to thoroughly prepare this.

Ideally, we do this together. So I would like to encourage you to participate in the debate on the post 2013 period. Conferences and consultations on the website are among our tools. And let me underline that your ideas are of great value to us.

I wish you – I wish us all – a fruitful, an energetic launch conference and I am looking forward to working together in the coming years.

Thank you for your attention.