Integrated approaches to sustainable urban development in European cities, including the housing component and the use of EU instruments

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Outline of the presentation

1) poverty and deprived areas
2) social housing: models and problems
3) what can be done with deprived areas – lessons from URBACT research
4) examples on ERDF financed housing interventions from different EU countries
5) the opportunities created with the new Cohesion Policy 2014-2020
1) The challenge: poverty and deprived areas

• Severely materially deprived population in the EU-27: in 2005 11%, in 2009 down to 8%, in 2012 back to 11%
• Effects of crisis: between 2008 and 2012 deprivation rates increased by 7-8 % in Greece, Hungary, Lithuania, Latvia and Italy
• Close link between poverty and economic development of countries: highest poverty rates in Bulgaria (44%), Romania (30%), Latvia and Hungary (26%).
• Different spatial patterns of poverty:
  • in Bulgaria, Romania and Hungary deprivation rates are much lower in cities than in rural areas,
  • Austria, Ireland, UK and Belgium deprivation rates are higher in cities than in the rest of the country.
• Source: 6th Cohesion report
EU2020: poverty reduction as headline target

• One of the five headline targets of Europe 2020 strategy is inclusive growth: to reduce by 20 million the number of people at risk of poverty or social exclusion (to around 19.5% of the total population) relative to 2010.

• However, between 2008 and 2012 the number of people in the EU at risk of poverty or social exclusion increased by 6.5 million to almost a quarter (24.8%) of the population.

• Spatial concentration of poverty: we can assume that there is a growing spatial concentration of poverty.
Consequences in urban areas

- In poorer cities **dramatic situations** emerge
- Even in some well developed cities **pockets of poverty** develop
- Consequences: growing social exclusion, affecting also the **economic development** of the city
- Typical spatial locations of deprived areas:
  - **old inner city** neighbourhoods,
  - **prefabricated** housing estates,
  - **peripheral** areas
Deprived inner city area in Budapest
Deprived inner city area in Barcelona
Deprived housing estate area in Kosice
Deprived housing estate area in Naples
Peripheral Roma in Sofia
Peripheral Roma in Dublin
2) Social Housing – definitions and problems

• There is **no common definition** of social housing at the EU level.

• In general, four dimensions characterise (and differentiate) social housing models and policies: the **tenure**, **provider** of the service, **beneficiaries** and **funding** arrangements.

• The European social housing model can be classified as **universalistic** (affordable price housing for the whole population), **targeted generalist** (allocated according to the income level) or **targeted residual** (vulnerability indicators).
Table 1: Social housing models

<table>
<thead>
<tr>
<th>ALLOCATION CRITERIA</th>
<th>SIZE</th>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Large (&gt;19%)</td>
<td>Medium (11-19%)</td>
<td>Small (5-10%)</td>
<td>Very small (0-5%)</td>
</tr>
<tr>
<td><strong>Universalistic</strong></td>
<td>The Netherlands, Denmark, Sweden</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Generalist</strong></td>
<td>Austria</td>
<td>Czech Republic, France, Finland, Poland</td>
<td>Belgium, Germany, Italy</td>
<td>Slovenia, Luxemburg, Greece</td>
</tr>
<tr>
<td><strong>Targeted</strong></td>
<td>Residual</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Residual</strong></td>
<td>UK</td>
<td>France</td>
<td>Belgium, Estonia, Germany, Ireland, Malta</td>
<td>Bulgaria, Cyprus, Hungary, Latvia, Lithuania, Spain, Portugal</td>
</tr>
</tbody>
</table>

Current problems with social housing in the EU

- The economic crisis created an **exogenous demand shock** for the social housing market with all European countries experiencing a significant **increase in poverty rates and housing exclusion**.
- In the EU there is a **debate concerning social housing** as a Service of General Economic Interest: it is crucial to satisfy **housing needs** with social housing while it is necessary to allow a satisfactory level of **competition** within the sector.
- To provide a single definition of Social Housing at the EU level would be rather problematic. Each country could contribute **with its own welfare experience and tradition** towards a framework definition of social housing.
- This definition should be much **broader** than currently adopted within the legislation on competition, allowing **to preserve the universalist models of social housing** and minimising the risk of social exclusion.
3) Programmes and policies against urban and housing deprivation

Urban renewal policies went over substantial changes in the last decades.

• In the 1970s purely physical (rough) renewal was used to improve deteriorating areas.

• The 1980s brought efforts to keep the original population in place with ‘gentle urban renewal’.

• In the 1990s the combining of physical, economic and social interventions lead to ‘complex area-based urban renewal’, applied in selected small neighbourhoods.

• 2000s: renewal as part of strategic development plans.
URBACT research: Against divided cities

http://urbact.eu/e-books/against-divided-cities/appli.html

It is not an easy task to fight deprivation

Without understanding the reasons and processes of deprivation
public interventions can easily miss the target

Examples on contradictory interventions

• good quality housing demolished (and the poor placed to elsewhere)

• improved building not wanted by original residents (as costs became too high)

• rebuilding transitory areas (diminishing very much needed cheap housing areas)
Spatial concentration of urban and housing problems: segregation

“Spatial segregation is the projection of the social structure on space” (Hausserman-Siebel 2001)

• There are different forms of segregation: economic, social, cultural, religious, ethnic

• Segregation might become problematic if it is a result of no choice and leads towards neighbourhoods which have no economic opportunities and weak institutions: bad schools, no employment, dirty streets, lot of criminality, bad housing, bad connectivity...

• Concentration is not a problem in itself, there is no „tipping point” which identifies harmful segregation.
Policies against socio-spatial segregation

People-based policies:
- Not linked to any specific spatial level, do not affect directly the deprived areas but **might have positive effect** on them
- Focus on improving situation of **PEOPLE** (low income, special needs)
- Sectoral policies: social services, education, affordable housing, mobility policy

Area-based policies:
- Focus on problematic **AREAS**, aiming to improve the situation of the people living there
- **‘Soft’ measures**: fostering skills, social capital and capacity of people in specific areas (e.g. work integration and training programmes in specific areas, local festivals, etc.)
- **‘Hard’ measures**: physical restructuring or upgrading programmes in specific areas (e.g. demolition, new infrastructure, regeneration of housing, etc.)
Drift through urban space and time

Position of communities in fragmented urban space.

Which strategies?

A1 decline

A2 steady state

A3 gentrification

A4 coherence best practice

Source: Claude Jacquier
Social mix strategies

Social mix strategies aim at **changing the social composition** of areas with high levels of socio-spatial segregation

- introduce better-off residents in deprived areas (forced gentrification)
- swap disadvantaged people into well-off areas (statutory quotas, etc.)

Social mix is a mainstream policy but **very controversial**; evidence on effects not conclusive
Integrated regeneration of deprived areas – the conditions for success

All three aspects of **policy integration** have to be used:

• Horizontal integration **between policy areas** (housing, social policy, employment, education, mobility...)

• Territorial integration: interventions should **not be limited to deprived neighbourhoods**, but should be part of policies for the whole urban area

• Vertical integration: **local policies** should **not be separated from the higher** (regional, national) levels of policies
The process of regeneration

**Detailed analysis** must be carried out in transparent and participative way, based on evidence

› understand the **types and problems** of given areas – for example are they dead-end or transitory areas?

› understand the **dynamism of the processes** – in which direction are they heading

Design the **interventions in the form of cyclical process**: analysis, understanding, deciding on actions, implementation and evaluation
Some lessons learnt

› Both **horizontal** and **area-based** interventions are needed

› **Demolition is not a solution in itself:** if the reasons why a particular area became a dead end space haven’t fundamentally changed, structural forces will create another dead-end space

› **Social mix** is an essential piece of a fair and efficient metropolitan area, **but alone**, without a variety of social supports and institutional structural changes, **it will not make a difference**

› **Participation** is always a key element: it is impossible to achieve lasting results without working together with the inhabitants
Good national framework and EU funding

Successful regeneration of deprived areas is a difficult and complex process which needs **optimal cooperation** between the national-regional-local levels and the residents. In this process **national** level policies (initiating and supporting local strategies) are of crucial importance.

There are **big differences between EU countries**: some have national regeneration policies, others not.

Since 2007 **EU Cohesion Policy** gradually opened up towards supporting housing improvements in deprived areas.
4) ERDF financed housing interventions in different EU countries
Promoting social integration in deprived urban neighborhoods through housing interventions by ERDF

- Consortium: **ECORYS** – **MRI** (Metropolitan Research Institute) – **LSE** (London School of Economics)
- Focused on **cohesion policy contribution to sustainable urban regeneration through ERDF investments** in housing 2007-13, following the various regulatory modifications
- Based on a **literature review** and **ten case studies** (UK, Estonia, Latvia, Lithuania, France, Italy, Czech Republic, Hungary, Poland and Germany)
- Main output: a Synthesis Report and published case studies which will be widely disseminated
2006
Regulation EC 1080/2006:
Renovation of existing housing (EU12)
- Integrated urban development
- Multi-family housing and social housing
- Renovation only

2009
Regulation EC 397/2009:
Energy efficiency and renewable energy sources (EU27)
- Economic crisis response
- Enhance energy efficiency or install renewable energies
  - Supporting social cohesion
  - Social housing and owner occupier

2010
Regulation EC 437/2010:
Housing for marginalised communities (EU27)
- Integrated approach
- Tackle housing exclusion and segregation
  - Housing construction and purchase
  - Social housing
Adopted OPs including housing interventions (2011) in Country (Source: Cecodhas, 2011)

<table>
<thead>
<tr>
<th>Country</th>
<th>Housing infrastructure (original 1080/2006 EC)</th>
<th>4% measure for energy efficiency in housing (modified in 2009)</th>
<th>Country</th>
<th>Housing infrastructure</th>
<th>4% measure for energy efficiency in housing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Austria</td>
<td></td>
<td></td>
<td>Italy</td>
<td></td>
<td>111,207,424</td>
</tr>
<tr>
<td>Belgium</td>
<td></td>
<td>3,000,000</td>
<td>Lithuania</td>
<td></td>
<td>206,002,279</td>
</tr>
<tr>
<td>Bulgaria</td>
<td>32,325,734</td>
<td></td>
<td>Luxembourg</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cyprus</td>
<td></td>
<td></td>
<td>Latvia</td>
<td></td>
<td>29,968,597</td>
</tr>
<tr>
<td>Czech Republic</td>
<td>*** (0,5%)</td>
<td></td>
<td>Malta</td>
<td></td>
<td>850,000</td>
</tr>
<tr>
<td>Germany</td>
<td></td>
<td></td>
<td>Netherlands</td>
<td></td>
<td>9,000,000</td>
</tr>
<tr>
<td>Denmark</td>
<td></td>
<td></td>
<td>Poland</td>
<td></td>
<td>243,138,869</td>
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<tr>
<td>Estonia</td>
<td>7,923,127</td>
<td></td>
<td>Portugal</td>
<td></td>
<td>6,163,117</td>
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<tr>
<td>Spain</td>
<td></td>
<td></td>
<td>Romania</td>
<td></td>
<td>111,780,653</td>
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<tr>
<td>Finland</td>
<td></td>
<td></td>
<td>Sweden</td>
<td></td>
<td></td>
</tr>
<tr>
<td>France</td>
<td>250,000,000 (4%)</td>
<td></td>
<td>Slovenia</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Greece</td>
<td>241,000,000</td>
<td></td>
<td>Slovakia</td>
<td></td>
<td>76,000,000</td>
</tr>
<tr>
<td>Hungary</td>
<td>123,740,457</td>
<td></td>
<td>United Kingdom</td>
<td></td>
<td>170,000,000</td>
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<tr>
<td>Ireland</td>
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Context

- Uptake of ERDF for housing has been relatively low.

<table>
<thead>
<tr>
<th>Country</th>
<th>Percentage of national ERDF resources used for housing (approx)</th>
</tr>
</thead>
<tbody>
<tr>
<td>UK</td>
<td>1%</td>
</tr>
<tr>
<td>Germany</td>
<td>0%</td>
</tr>
<tr>
<td>France</td>
<td>4%</td>
</tr>
<tr>
<td>Hungary</td>
<td>0.3%</td>
</tr>
<tr>
<td>Czech Republic</td>
<td>0.5%</td>
</tr>
<tr>
<td>Lithuania</td>
<td>3%</td>
</tr>
<tr>
<td>Poland</td>
<td>1.2%</td>
</tr>
</tbody>
</table>

- Partly explained by:
  - **Initial capping of ERDF spend on housing** - originally 4% for newer Member States and 2% for older Member States
  - Reasonably **short time to implement** the modifications in legislation - it takes time for regulations to filter down into policy/practice
  - ERDF programmes/plans were often well advanced when the legislation came into force which allowed ERDF spend on housing
  - Some countries decided **not to spend ERDF on housing** (e.g. Germany – they continue funding housing with domestic resources).
Introducing the Case Studies

**UK**: Renewables and Energy Efficiency in Community Housing (REECH, Merseyside)

**France**: Rehabilitation of social housing, Quartier La Foret, Cambrai

**Italy**: Energetic Requalification of Social Housing, Turin

**Estonia**: Integration in social housing and orphanages, Tallinn

**Latvia**: Improved energy efficiency in blocks of flats (whole country)

**Lithuania**: Renovation of multi family apartment blocks (Jessica, whole of the country)

**Czech Republic**: Development of deprived residential City Zones in Most

**Hungary**: Socially sensitive rehabilitation of Ady estate, Budapest

**Poland**: Renovation of housing in Sieradz

**Germany**: Integrated Area Regeneration, Chemnitz
Example of horizontal approach: Latvia

- 50% non-repayable grant for the energy efficient renovation of **multi-family residential buildings** (financial framework 115 million Euro: by now more than 100 buildings completed)

- **Privately owned multi-family buildings** are eligible (at least 51% of the owners must agree)

- **No special social targeting** (however the grant is 60% in cases of at least 10% of low income residents, but nearly all multi-family buildings are eligible in general)
Example of marginalized communities: Czech Republic

Two ways of distribution in CR:
- **Mainstream**: for low status housing estates (housing and public space renewal)
- **Pilot projects**: 6 projects of complex rehabilitation for most marginalized communities

In pilot projects:
- **ESF** interventions are **compulsory**
- **High level of subsidy** would be essential (however it was 40% for social housing in CR)
- Technical assistance for planning (**Agency for Social Inclusion**)

Roma estate in MOST – 2 estates:
- Chanov: 4 buildings refurbished out of 11 (social housing)
- Stovky: condominiums – difficulties in matching funds (banks!)
- Social infrastructure facilities
- Housing reward ladder programme, social services
- Involvement of Roma in implementation
- No inclusion of the communities in planning
France
Le Forêt, Cambrai
spatially targeted
Key Features

- Rehabilitation of **446 social housing** flats to achieve **image** change and **<104kWh/m²/year**

- **Population**: poor, low employment, high vacancies, high fuel charges, crime

- Main works (€21.5m total, 9% ERDF):
  - **Energy efficiency** through cladding
  - Ventilation and air sealing
  - Improved **common areas**

- Major **partnership** and social support
  - On site social agency
  - Partnership with local voluntary agencies
External Cladding Works
Before and after cladding and closure of external openings
New entrances and videophones
Resident led celebratory lunch for end of works in one block
Challenges

- Delivering works with residents present
- Technical problems upgrading older buildings
- “Green” education of residents
  - Still not clear if energy/charges reductions will be delivered/sustained
- HLM inexperience in “integrated” development, and additional costs involved
- Initial unclarity in the requirements of the ERDF bid
Success factors

- National framework: – *Grenelle* (environmental) and 35 year *Ville* (cities) policy
  - National drive to use ERDF as specified
- Integration with city strategic planning (SCoT)
- Extensive partnerships – technical, voluntary agencies, city
- Intensive resident engagement - high satisfaction levels
- Work progressing well (after initial delays)
Lessons learnt

- Added value: incitement, innovation, and monitoring
  - Departmental/regional engagement key

- Technical issues - even with single owner/single building type

- Resident engagement and focus on social issues worked
  - but must include “green” education

- Integration with the wider City plans

- Very different with a supportive national framework

ECORYS
Hungary
Ady housing estate, Budapest
spatially targeted
Key Features

Appr. 5000 inhabitants in 2064 apartments
One of least prestigious Budapest estates – though **not** deeply marginalised. Socially segregated estate schools
Goal: PREVENTION (not crisis management)

Interventions: (October 2009-June 2012)
- Partial renovation of 7 (out of 10) large system built blocks (all privately owned condominimius), affecting 1549 housing units
- Renewal of the public spaces and public buildings
- Upgrading of the commercial buildings
- Creation of a new Community Centre
- ESF types of measures (vocational trainings and community building activities)
Overview of the estate
Insulated building at Ady
Renovated inner parts
Insulated public buildings
Outside and inside the community centre
Challenges

- **New experience** for all partners and the managing authority → high burden of administration → low level of flexibility and innovation
- **Low public participation** – both the municipality and the public lack the culture of it
- **Insufficient time** (originally 1,5 years, later +1 year extension) to reach most marginalised groups
- **Insufficient technical solutions** (and weak control)
Success factors

- Housing made up $\approx 50\%$ of the investments
- Residents judged housing to be the most important part of the programme (‘for 15% own contribution it was worth doing it’)
- **Successful community centre** – although sustainability issues occur after EU money dries out
Hungary: settlement development in the Regional Operational Programmes 2007-2013

3 intervention areas:
- **integrated socially sensitive** urban rehabilitation
- **integrated „function-enriching”** urban rehabilitation
- smaller level developments

Differentiated calls for proposals in three types of settlements:
- in cities of county rights
- in other cities
- in non-city settlements above 5000 inhabitants and 100 person /km2 density
Socially sensitive urban rehabilitation in ROP-s

- Szerződött összköltség Mrd Ft: 288
- Szerződött támogatás Mrd Ft: 230

Socially sensitive urban rehabilitation in Central Hungary OP

- Szerződött összköltség Mrd Ft: 82
- Szerződött támogatás Mrd Ft: 60

14 projekt, ebből 1 Pest megye
Csepel és XV. kerület 3, Józsefváros 2 projekttel.
Socially sensitive urban rehabilitation – target areas

✔ Prefabricated housing estates, to prevent ghettoization
✔ Deprived urban areas in old, traditional parts of cities, to prevent further segregation, enhance the status of the area with keeping the majority of the original population
✔ Socially extremely segregated ghetto areas, dominated by roma population
Eligibility criteria:
- Inside the administrative area of the city
- All interventions restricted to the action area, interventions are in synergic with each other
- Number of inhabitants: minimum 1000 in housing estates, minimum 500 in traditional city areas (special ruled in areas below 500 people)

Indicators to delienate action areas (at least 3 from the following 6):
- low education level
- low economic activity
- high unemployment
- high level of poverty and social exclusion
- high level of physical degradation
- low energy efficiency of residential buildings
Compulsory planning framework

• Area-based **integrated approach**, investments with synergic effects
• Integrated Urban Development Strategy (IUDS) and Action Area Plan (AAP) supporting the need for interventions
• **Partnership**: e.g. social and educational institutions, civil organizations, local residents → local support group
• At least 20% of housing units to be improved, and at least 3 other types of investments (from a list of eligible investments)
• At least 3 ’soft’ interventions reacting on the problems of the action area (at least 2 in case of housing estates), comprising 8-20% of all eligible costs
• „**Programme fund**”: indirect support for the ’soft’ programme elements
Lessons learnt

– ERDF housing funds **enable integrated interventions** in deprived areas
  
  • (lower leverage effect but higher social effect compared to national programmes: a trade-off)

– Housing is a **decisive element** providing ‘critical mass’ to re-position (but not over-position) the target areas

– **Few municipalities are ready** for such sensitive and integrated actions: learning process (Ady started a second project)
Possible types of ERDF intervention should be defined:

1. General energy efficiency programmes, with weak social targeting (but explicitly excluding high income areas), with substantial mandatory stakeholder contributions.

2. Strongly socially targeted integrated improvement of deprived multi-family housing areas including energy efficiency and job-creating measures, with mandatory stakeholder contributions.

3. Complex integrated improvement of the most marginalized residential areas/housing conditions with extremely strong social targeting, little or no stakeholder contributions. Housing and job related measures within the area or through measures outside of it.
ERDF: Lessons at National level

- **Short timescales** don’t allow for integration, particularly in the case of complex projects (the most socially targeted and integrated ones) where sufficient time is needed for participative planning (through detailed consultation with stakeholder groups), step-by-step implementation and careful monitoring.

- **Mentoring and support** by higher levels of governance should replace heavy handed bureaucracy. Current approaches deter, instead of encourage, integration and creative local solutions. Cities should have access to technical assistance in developing and implementing complex and integrated projects to foster social inclusion.

- **ESF and ERDF integration** should be pushed forward by national/regional level requirements including integrating calls for projects and their assessment by MAs.
Cities (and the regional administration) may regard **multiple partners** as problems rather than solutions. Sufficient time and flexible administrative frameworks are needed to build effective partnerships. Big role for ETC programmes (e.g. URBACT).

**Resident engagement and empowerment** delivers multiple benefits in identifying and delivering good local solutions and in managing expectations.

The importance of **communication and marketing** cannot be overestimated in implementing a successful rehabilitation project targeted on excluded neighbourhoods. Information, explanation, and participation should involve also residents in the **wider neighbourhood and the city as a whole**.
5) NEW OPPORTUNITIES IN THE EUROPEAN COHESION POLICY 2014-2020

Integrated urban development is the key to achieve the EU2020 targets. ERDF regulation Article 7 introduces Sustainable Urban Development for at least 5% of ERDF resources. New EU tools:

• **ITI**: place-based integrated approach in larger cities, potentially on metropolitan level

• **CLLD**: people-based integrated interventions in smaller municipalities and on neighbourhood level in larger cities (10-150 th population)

• **Horizon2020**: „spatially blind” innovative economic actions in large urban areas
Article 7 §2. «Sustainable urban development shall be undertaken through Integrated Territorial Investment ... or through a specific operational programme, or through a specific priority axis ...»

This approach takes account of

- Complexity of tackling deprived areas.

Approx. €15 billion (8% of ERDF) to be spent in this way. Most Member States opted for the minimum level of delegation to urban authorities (i.e. selection)
A paradigm shift: from the “terroire guichet” to the “territoire projet.”

- From “territoire guichet” — administrative boundaries — deficits or gaps - management body redistributes grants

- To “territoire projet” — what is our project for the future? — who (which allies) do we need to achieve it? — what is the appropriate (functional) area over which to achieve it?
Integrated sustainable urban development

Example: Member State A

Regional ERDF OP

National/sectoral ERDF OP

City 3

- City 1
- City 2
- City 3
- City 25
- City ...

Total allocation for ITI at least 5% of Member State’s ERDF, delegated to cities

+ additional ESF and CF, if appropriate
POLAND: GOOD EXAMPLE TO PLAN ITI

• The Government requires ITI associations to be formed between the 16 regional capitals and the municipalities belonging to their functional urban areas.
• The Government provided lists of settlements – at least half of the settlements should become part.
• The municipalities within the FUA, which do not join the ITI, will have a more difficult access to EU funds in fields, where the ITI will have projects.
• The association creates a Board (to be headed by the mayor of the core city) which has to prepare integrated strategy.
• The „carrot” EU funds in the form of an ITI seems to be efficient in the Warsaw Functional Area (Franz Thun).
• surface: 2.932 sqkm.
  (8% of the surface of the region)
• population:
  2.656.917 inhabitants
  (50,3% of the population of the region)
• 40 communes – including Warsaw (within 11 counties)
• 38 communes prepare a joint ITI with the lead of Warsaw
DIFFERENT NATIONAL REACTIONS ON ITI

- Mostly oriented towards **large cities** (except for England)
- France and Poland: explicit requirement to **include the FUA level**
- **Delegation to metropolitan associations** in Poland, to the LEPs in England, no delegation in Germany
- **Thematicallly broad** in England and Poland, narrow (deprived areas) in France and Germany
- **Legal form**: ITI or urban axis
Article 7: financial allocation

- 110 OPs involved in funding Article 7 with a total of 15 billion EUR from ERDF
- Half via ITI, half via priority axis and 4 urban OPs
- How much did MS allocate to Article 7?

3 billion+ PL accounts for 22% of the total
1 billion each: CZ, RO, IT, ES, DE, HU
700-800 mill each: FR, PT, BG

300-400 mill each: GR, SK, UK
200-250 mill each: HR, LV, LT
100-150 mill each: BE, SI, EE
All other MS less than 60 million EUR each
How much above 5% of ERDF?

- How much did MS exceed the required minimum?

14 MS spend considerably more than 5%:

- CY and BG 20%,
- BE 15%+
- RO, CZ, IE, FR, LV 10%
- DE, NL, HU 9%
- PL, SI, PT 7-8 %
ERDF Article 7: Sustainable Urban Development

- **High Article 7 resources** (70-180 eur per capita in FUA population): Bulgaria, Croatia, Czech Republic, Estonia, Greece, Hungary, Latvia, Lithuania, Poland, Portugal, Romania, Slovakia, Slovenia

- **Medium Article 7 resources** (30-40 eur per capita in FUA population): Italy, Spain

- **Low Article 7 resources** (0-20 eur per capita in FUA population): Austria, Belgium, Cyprus, Denmark, Finland, France, Germany, Ireland, Luxembourg, Malta, Netherlands, Sweden, United Kingdom.
Thematic Breakdown of Art 7

Comparison on thematic breakdown of planned expenditure for SUD and for total ERDF by TO (%)
Differences in the focus of the Article 7 programs

- **Germany**: TO9 (economic and social revitalisation of neighbourhoods) dominates, thus deprived areas are in the focus of the OPs

- **Czech Republic**: Article 7 is mainly related to building infrastructure for sustainable mobility, and providing good environment for businesses

- **Poland**: 17 ITIs for the biggest cities, investment priorities chosen by the ITI Associations and the regional MAs, deprived residential areas usually not in the focus

- **Croatia**: deprived areas interpreted as abandoned industrial sites close or inside the city; the refurbishment of these should boost economic activity
Summary 1. Integrated development of urban areas

Deprived areas should be redeveloped in integrated way. However, deprived areas are usually handled separately and integration is achieved maximum on project, not city level. Usual problems emerge from the trade-offs between

- **energy and social** aspects (renovation of buildings leading to non-affordable rents, excluding poor residents)
- **efficiency and participation** (financial urgency to spend money does not allow for integrated policies in participative way)
- **short-term and long-term** (demolition is usually not a sustainable solution for the problems of the poor)
Summary 2. Housing has to be substantial part of integrated regeneration of deprived areas

To achieve better use of ERDF housing money three types of ERDF intervention should be defined:

• General energy efficiency programmes, with weak social targeting (but explicitly excluding high income areas), with substantial mandatory stakeholder contributions

• Strongly socially targeted integrated improvement of deprived multi-family housing areas including energy efficiency and job-creating measures, with mandatory stakeholder contributions

• Complex integrated improvement of the most marginalized residential areas/housing conditions with extremely strong social targeting, little or no stakeholder contributions.

In my opinion a balance of these types of project is needed at national level. Carefully designed conditionality criteria should set a minimum level for the more complex projects which should be linked to the ITI-s (strategic plans) in the case of larger cities.
Summary 3. The need for strong national frameworks

- EU supported social housing programmes should be linked to FUA level integrated planning (supported by ITI), to ensure integrated approach.
- Both integrated planning and metropolitan cooperation need national frameworks and initiatives to come alive.
- Cities are not able to solve only with area-based interventions the problems of the most deprived areas. Also national horizontal policies are needed (welfare, education, social housing) to assure the full framework.
Thank you for your attention!
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