



# The Local Pact: a new approach for tackling urban poverty

Policy Paper

December 2019

This policy paper is an output of the URBACT Knowledge Hub, bringing together good practices and lessons learnt from cities to share with all professionals involved in urban polic through Europe.

It was commissioned by the URBACT Secretariat as a Capitalisation Activity within the Urban Agenda for the EU Partnership on Urban Poverty.

The URBACT programme and its Managing Authority is not responsible for the use that may be made of this publication.

Authors: Séverine Bressaud – Daniela Patti – Iván Tosics, URBACT experts

Special thanks for their ongoing contributions to the:

- German team (Katja Adelhof, Anja Beuchel, Karoline Branke, Kathrin Schultheis),
- Spanish team (Eduardo de Santiago Rodriguez, Luis Torrens Melich, Tonet Font Ferrer),
- Polish team (Marta Bystrowska, Joanna Brzezinska, Agnieszka Bednarska-Bernatek, Elżbieta Michalska, Marta Ignaczak),
- French team (Sabrina Abdi, Léa Retournard, Charline Rouillon, Valentin Mousain, Delphine Silly),

as well as Raffaele Barbato (UIA Secretariat), Christian Iaione (Luiss University) and Miguel Brito (City of Lisbon).

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## I – CONTEXT AND CHALLENGES

### URBAN POVERTY IN EUROPE

In 2015, almost a quarter (23.7%, 120 million people) of the EU population was recorded as being at risk of poverty or social exclusion. The Europe 2020 strategy aimed to lift 20 million people out of poverty by 2020<sup>1</sup>.

However, the 2008 financial crisis exacerbated the problems of urban poverty and its spatial concentration into priority/deprived areas<sup>2</sup>. The impact of austerity measures in European countries also resulted in a reduction or cessation of national urban policies.

The sustainable urban development (SUD) initiative within the EU Cohesion Policy made it compulsory since 2014 to spend a (minimum) 5% of ERDF budget in urban areas, based on integrated strategies prepared by the urban authorities<sup>3</sup>.

The Pact of Amsterdam, adopted in May 2016, established a shared EU-wide approach to urban challenges. As part of this approach the Urban Agenda for the EU was launched, marking an important step towards realising the potential for cities to shape policy alongside national and EU actors.

### URBAN POVERTY PARTNERSHIP

Within the framework of the Urban Agenda for the EU, the **Urban Poverty Partnership** (UPP) was one of the first four partnerships, which started its work in 2016 and developed its Action Plan by 2018. The outcome of the almost three year long collaboration between national governments, local authorities, relevant EU-wide NGOs and the European Commission was a series of important proposals.

One of the 12 actions “... proposes the **Local Pact as a multi-fund instrument** aimed to assign urban authorities a leading role in the design of their strategies of **urban regeneration of Urban Deprived Areas and Neighbourhoods** in the Cohesion Policy post 2020. Based on a multi-level governance approach, it adopts a mixed place-based and people-based vision, which is able to adopt

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<sup>1</sup> The AROPE rate, the share of the total population which is at risk of poverty or social exclusion, is the headline indicator to monitor the EU 2020 Strategy poverty target. <https://ec.europa.eu/eurostat/web/europe-2020-indicators>

<sup>2</sup> “Priority areas” is used instead of “deprived neighbourhoods” to avoid further stigmatizing of such areas.

<sup>3</sup> For overview on how Cohesion Policy 2014-2020 supports integrated and sustainable urban development strategies, see the ongoing work of the Commission’s Joint Research Centre: <https://urban.jrc.ec.europa.eu/strat-board/>

the necessary flexibility to address the different dimensions of urban poverty through integrated strategies.”

On the request of the UPP, URBACT launched a **capitalisation project** with the involvement of the national, regional and local levels of four countries (France, Germany, Poland, Spain) to further develop the Local Pact concept.

#### **Participants**

**France:** City of Lille (local level), Metropolitan area of Lille (inter-municipal level), CGET (national level).

**Germany:** City of Berlin (local level), Senate Department for Urban Development and Housing, Section Soziale Stadt (regional level), Federal Institute for Research on Building, Urban Affairs and Spatial Development (national level).

**Poland:** City of Lodz (local level), Marshall office (regional level) and Ministry of Investment and development - Urban policy unit (national level).

**Spain:** City of Barcelona (local level), Region of Catalunya (regional level) and Ministry of Development-Urban Policies Deputy Directorate (national level).

#### **THE LOCAL PACT FOR PRIORITY AREAS**

The Local Pact aims at developing area-based policy targeting priority areas. It is based on **multi-level governance** involving actively all the administrative levels (from national to local) and on an **active participation** of local stakeholders and inhabitants, who become as co-creators of local urban policies. These two dimensions are crucial to address poverty by involving all the concerned stakeholders, which have complementary roles and by tackling poverty as a holistic challenge integrating social, physical, economic and environmental issues.

**At the local level:** this policy approach helps municipalities<sup>4</sup> to co-build new solutions with local inhabitants, public institutions, knowledge organisations and private sector to address poverty in priority areas.

**At the national level:** countries get stimulated to allocate at least 6% of ERDF to SUD (article 9 ERDF regulation proposal for post 2020 period) and more specifically to priority areas.

**At the European level:** this policy framework offers the opportunity to allocate Structural Funds from different sources to local strategies targeting priority districts in the framework of the new Cohesion Policy.

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<sup>4</sup> In the text we use the word 'municipality' by which we understand the elected local government of the urban public authority.

## II – A MANIFESTO FOR A NEW POLICY TO ADDRESS POVERTY IN URBAN AREAS

### *Building on lessons learnt*

The Local Pact offers a **comprehensive policy framework for the integrated regeneration of deprived/priority areas**. It combines elements of the once well-functioning **URBAN programme**<sup>5</sup>, with innovative new urban ideas to **strengthen the participation of the affected stakeholders**, towards co-creation of regeneration strategies. This is notably developed based on the URBACT method, urban CLLD and other national experiences.

This approach can be used as a guide for national policies for the regeneration of priority areas, linked to the sustainable urban development (SUD) regulation of EU Cohesion Policy post 2020, which aims to spend minimum 6% of ERDF in urban areas. Such national policies can also include resources from other sources, outside EU financing.

The practical experiences of the four pilot countries helped to build this policy approach and the feedback on this proposal from the national, regional and local stakeholders of the four pilot countries involved in the one year long preparation work was very positive.

### *Key principles*

The Local Pact approach should be based on a **multi-level governance agreement** which can take different forms according to the needs of member states – for example, legal contract, pact between local, regional and national level, shared objectives and financing within a regional/national programme.

Another crucial aspect of the Local Pact approach is the **stronger participation of the affected stakeholders**, towards the co-creation of urban regeneration strategies, based on innovative approaches and experiences of different countries in Europe. The Local Pact policy approach encourages an extended model of public-private-community partnership involving also

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<sup>5</sup> URBAN Community Initiative (1993-2006): Economic and social regeneration of cities and neighbourhoods in crisis in order to promote sustainable urban development. This was one of the most successful EU programmes, giving directly to cities relatively small amounts of money, practically as a block grant, allowing them to spend it according to their needs (and priorities formulated by the national level). The last URBAN programme had a very small budget (700 million €) to be spent in 70 deprived areas in selected EU cities between 2000-2006.

knowledge institutions (e.g. schools) and the local society including NGO-s, city makers, urban innovators and individuals.

The novelty of the Local Pact for Priority Areas approach will be this **innovative combination of the top-down multi-level governance element of area-based regeneration with the bottom-up, more participatory, co-creation process**, based on the extended model of public-private-community partnerships.

The **municipality has a key role to play in terms of:**

- Enabling the development of the multi-level governance framework within the Local Pact,
- Delineating the intervention areas,
- Participating in the local partnership and suggesting a mix of interventions,
- Deciding and leading the implementation of the interventions.

#### **Seven reasons to apply the “Local Pact” policy framework**

- 1) To reinforce (technically and financially) public interventions in priority areas which concentrate to the most socio-economic difficulties => **Area-based policy**
- 2) To promote innovation in priority areas through ambitious local strategies and action plans combining physical and soft interventions => **Integrated urban development**
- 3) To concentrate and optimise funds dedicated to priority areas from all territorial levels (European-National-Regional-Local, public and private) => **Multi-level governance (financial support / financing)**
- 4) To encourage and support inhabitants to become active stakeholders of the transformation of their area and life, through participating in the co-design and co-implementation of new solutions => **Participation, empowerment of local people and social innovation**
- 5) To encourage and support cities/metropolitan areas to implement integrated strategies targeting priority areas at the local level, according to a common national/regional framework => **Multi-level governance (vertical cooperation)**
- 6) To set up governance bodies at the local level ensuring an active participation from all municipality departments, from all sectors, from all type of stakeholders (elected representatives, residents, NGO...) => **Multi-level governance (horizontal cooperation and political support)**

- 7) To increase capacities to plan, implement, monitor and evaluate actions in priority areas through enhancing human resources and mobilising local stakeholders => **Capacity building**



## III – GUIDELINES

### A/ MULTI-LEVEL GOVERNANCE POLICY FRAMEWORK

**Challenges: to organise a multi-level governance scheme based on:**

=> vertical cooperation between different territorial levels from national to local one

=> clear distribution of roles for each level

=> formalisation of the multilevel governance through a common agreement or a more formal contract linking the different territorial levels

#### *A vertical cooperation between territorial levels*

The Local Pact policy approach has to be applied in a multi-level governance way, **sharing responsibilities between and agreed upon by all relevant administrative levels** (national, regional, local). Besides the municipalities also the metropolitan organisations and the regional and national actors are needed to ensure proper policy coordination and the required legal background and financing of complex interventions. With such vertical integration relevant policies can be coordinated even if some of them are not decided upon at the local level.

This territorial cooperation between different levels of administrations can be organised in different ways, according to each country context. However, the cornerstone of all multi-level governance policies is the national policy framework, which defines the main goals of the policy and allocates a potential budget for it. It is then implemented on the ground by local municipalities, which develop local area-based strategies, in cooperation with the metropolitan area and the regional level.

#### **Practical example: Complementary roles between the national, regional and local level in Poland and Spain**

In **Poland**, the national administrative system provides a specific framework for the implementation of the urban policy called “strategy for responsible development 2020”, within which the existing administrations at the regional and municipal levels have relative freedom in shaping urban actions (eg. revitalisation programmes at the regional level co-financed with Cohesion Policy funds).

In **Spain**, the national level leads two main policies: the ARIs programme dedicated to housing renovation and EDUSI initiatives, which is financed within the cohesion policy. Each city can apply for the 2 programmes. Moreover, other administrative levels can also launch their own urban regeneration programmes with their own funding (eg. Llei de Barris in Catalonia and Plan MADRE in Madrid).

The involvement of the different levels can be defined through informal agreements or formal contracts.

### **Practical example: multi-level governance within urban policies in France and Germany**

In **France**, an area-based policy was established, targeting priority districts (deprived areas faced with socio-economical difficulties), called “Politique de la Ville”. In this framework, a “city contract” (which can cover several priority districts of a metropolitan area) is signed at least by the State, the inter-municipality organisation and the concerned municipalities. The regional council and other local authorities can also sign it.

In **Germany**, the main programme for social urban development and urban renewal measures is the Soziale Stadt programme, aiming to invest in urban development measures. This programme is implemented in the framework of cooperation between the Federal government, the Länder and the municipalities.

### *Selection of priority areas in a multi-level governance context*

The **selection of priority areas** can be done in different ways. According to the **top-down approach** the national level defines the criteria and selects the intervention (priority) areas. This method ensures the application of common and transparent criteria all across the country but it does not always fit to all local specificities - thus consultations with the local authorities are also needed.

The **bottom-up approach** also starts from a national framework, defining the main principles and indicators for priority areas, but the selection and delineation of such areas becomes the responsibility of the local level, often through a bidding process. In such way the local specificities are taken into account, but the process might be longer and sometimes less transparent.

### **Practical example: A national decision in France**

In **France**, the State service placed under the authority of the Ministry of territorial cohesion lists and defines the outlines of priority districts (based on

two common criteria). Local elected representatives are consulted to ensure the coherence of the perimeter with the situation on the ground. The national government validates the final perimeters through a decree law.

### **Practical example: Delimitation decided at the local level in Germany and in Poland**

In **Germany**, municipalities are responsible for identifying socially deprived areas in their community and applying for grants to the Länder. Länder then pick a certain number of applicants.

In **Poland**, in the framework of the revitalisation programmes led by regional level, municipalities have to use their own statistical analysis to delimitate degraded areas. However, they benefit from the guidelines on revitalisation, which provides some indications to help them in this task.

### *A multi-level governance taking into account the wider metropolitan strategy*

It is crucial for the municipalities to develop good coordination of policies (for example mobility) at metropolitan level with other municipalities to meet the needs of the inhabitants in the priority areas. Such territorial integration is also important to handle the potential negative externalities.

## **B/ INTEGRATED APPROACH**

**Challenges: to ensure a multi-sectoral intervention in priority districts taking into account social, environmental, economical and physical issues.**

=> combination of hard/physical interventions and soft measures

=> horizontal cooperation between different departments of the administrations

### *A multi-sectoral intervention to raise living standards for inhabitants while maintaining social diversity*

The integrated approach in urban regeneration refers first of all to **sectoral integration** - the need to consider all physical, environmental, social and economic aspects of an intervention.

Such sectoral integration, mixing also social and physical interventions, aims to avoid gentrification or ghettoization processes – where the local inhabitants

are forced to relocate or more gradually pushed outside the area and replaced by a more affluent or disadvantaged population.

Physical and social interventions have to be handled in their mutual interdependence. If the social aim of the regeneration is to **keep the existing social structure**, the physical improvement strategy depends to a large extent on the **existence of welfare and tenant protection policy instruments**. When such policies are strong, it is easier to achieve ambitious physical, environmental improvements, as the increased prices will be subsidised for disadvantaged inhabitants.

### **Practical example: “City contracts” based on three pillars in France**

In **France**, city contracts combine soft interventions with physical investments. Each city contract is made of three main pillars:

- Social cohesion: support for NGOs and local stakeholders, access to social and cultural activities, childcare and health services, strengthening of intergenerational links, poverty reduction.
- Liveability and urban renewal: improvement of existing local infrastructures and creation of new infrastructures, development of projects favouring diversity and mobility.
- Employment and economic development: support and advice for jobseekers, promoting pathways towards employment and entrepreneurship.

### **Cooperation at the municipality level**

The difficult challenges of local regeneration programmes can only be handled with good cooperation between all relevant departments (urban planning, social affairs, environment, economic development, etc.) of the municipality and their joint efforts to prepare integrated plans for the priority area. Besides planning, good coordination between the relevant departments is also needed to implement the approved plans.

### **Practical example: horizontal cooperation to design and develop “Soziale Stadt” in Germany**

In **Germany**, the “Soziale Stadt” programme is based on an integrated diagnosis and strategy, developed notably through a dialogue between administrative departments, local residents and other local stakeholders.

## C/ PARTICIPATION

**Challenge: to set-up conditions to develop active participation of citizens from priority districts**

=> to involve residents with a large diversity of profiles

=> to go beyond a classical, low level participation process by involving local residents into the co-design and co-implementation of local urban policies

=> to provide resources in terms of competences and finances in order to ensure a more democratic decision making process.

### Participation levels

Citizen engagement theory and practice are a complex and evolving field<sup>6</sup>. Different levels of participation can broadly be grouped as follows:

- **Information:** citizens are kept informed by the administration on on-going plans and projects in order to be aware of the current status but they cannot react upon it;
- **Consultation:** citizens are asked to give an opinion about a plan, which could be then further modified by the administration;
- **Involvement:** citizens are invited to provide input and suggestions throughout the development and implementation of projects and plans run by the administration;
- **Co-creation:** citizens and the public administration develop together plans and projects<sup>7</sup>;

On the ground, various levels can be chosen in terms of participation, according to the political context and how familiar and organised residents and local stakeholders are with participative processes. The minimum should be to have a group of local stakeholders supporting the development of integrated plans in priority areas. A more advanced level would provide the group of stakeholders with responsibilities and decision-making power. Either way, the involvement of local stakeholders shouldn't be limited to the design

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<sup>6</sup> Arnstein's Ladder of Citizen Participation<sup>6</sup> first identified different levels of involvement ranging from low to high. Arnstein, Sherry R.(1969) 'A Ladder Of Citizen Participation', Journal of the American Planning Association, 35: 4, 216 — 224

<sup>7</sup> To read more on citizen participation, see <https://urbact.eu/sites/default/files/urbact-citizenparticipation-edition-190524-final.pdf>

of an action plan but should also include the implementation and monitoring of it.

### *Involvement of citizens in a multi-stakeholders approach*

Limited language, technical and administrative skills, and a lack of confidence can be barriers for local residents to participate. Residents should be supported to advocate for their needs and to contribute to the implementation of efficient local policies.

URBACT Local Groups offers an example of how to engage local stakeholders to advise the municipality for the development of integrated plans for priority areas. The group is composed by representatives of relevant organisations in priority areas from public, private, civic and knowledge institutions. The involvement of non-structured players, such as start-ups or social innovators, can be beneficial to steer local projects. Furthermore, the involvement of the private sector is also crucial to foster job creation and local employment. And finally, research and knowledge centres can be extremely useful to provide an analysis of ongoing processes and support methodologically its design.

The local residents involved in these participation bodies can be selected through calls for applications spread by the usual municipal communication means and through more informal methods such as door-knocking in each building in the priority area. It is important to also research and actively reach out to under-represented or more vulnerable people such as young people, migrants, or unemployed people.

#### **Practical example: selection of citizens councils' members by drawing of lots in France**

- **Selection:** the drawing lot principle is mandatory; it enables to associate a variety of inhabitants, including those who would not have applied for it. Several lists can be the basis for this drawing of lots: electoral lists, social landlord's lists, and electricity supply list.
- **Composition:** two main colleges are established, made up of inhabitants and NGO representatives. The inhabitants' college should respect the gender parity.
- **Number:** there is no limitation but usually the number of councillors varies from 15 to 50.
- **Age:** there is no limitation. Minors can participate if they have a parental permission.

- **Organisation:** citizen councils can be led by one or several council members, supported by a neutral third party (who can be an external expert, such as a consultancy).

### *From active participation to empowerment through a Committee of Local Stakeholders*

The cornerstone to ensure a strong participatory element is the formalisation of stakeholder involvement within the decision-making processes. The proposed structure is a **Committee of Local Stakeholders (CLS)**, which should include representatives from public, private, civic and knowledge institutions. The Committee supports the municipality in the development of the local plans. The CLS would be the participative body responsible for:

- co-designing the local action plan, co-implementing actions with the municipality, ensuring a stronger territorial anchoring and a better appropriation of actions.
- co-deciding on the allocation of a part of the financial resources dedicated to the implementation of the urban regeneration plans.

Final approval of plans and financial allocation in priority areas would be co-created by the CLS, yet the final approval would be the responsibility of the Municipality.

The participation in financial issues can be organised in different ways:

- o through calls for projects to support small-scale actions implemented directly by local stakeholders. In this case, local stakeholders can contribute as CLS Member to the selection with the municipality/urban authority and can participate to the design and the implementation of these actions on the ground. This model could be following the experience developed by the City of Lisbon with the Bip/Zip program<sup>8</sup>.
- o a municipal budget (potentially complemented by European and other funds) allocated to each priority area, whose allocation is decided by the CLS. In this case, the final decision can be done

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<sup>8</sup> The Bip/Zip grant requires that at least two non-profit organisations must team up presenting a proposal for a priority area, preferably with at least one of the organisations being local. The grant can be below 25.000 euros to support smaller initiatives, such as neighbourhood fairs, or between 25.000 and 50.000 euros, requiring that the organisations can ensure an economic sustainability for at least two years after the end of the supporting grant.



by the CLS itself or by the municipality, according to the local context.

#### **Practical example: Participation methods in the German Soziale Stadt policy**

A key element of the Social City programme in the city of Berlin is public participation and cooperation. Residents get involved, have decision-making powers and take "do it yourself" actions on their own initiative. The Action Fund Jury, fully composed by residents, and the Neighbourhood Council, composed at least by 51% of residents and the remaining of local stakeholders and institutions, is established for a long period of time. In addition, numerous project-based, rapidly implemented approaches for activation and participation are deployed to reach out to residents.

#### **Practical example: House of projects and Citizens councils in France**

In **France**, under the "city contracts, citizen participation is ensured in two ways:

- the creation of the "house of project" in districts benefiting from the national urban renewal programme, which provides information for local population and encourages exchanges of opinions on the project.
- the creation of the citizen council in each priority district or a common one for several priority districts.

#### **Requirements and success factors**

Whatever the level of participation chosen by the municipality is, some common conditions are requested to optimise the involvement of local stakeholders:

**Identification of members:** members should be selected from public, private, research and civic sector organisations operating in priority area, extended by randomly selected residents. None of the different groups should be in majority within the committee.

**Identification of facilitators:** the involvement of stakeholders does not happen automatically; therefore the identification of trained professional figures who can support the process is essential. These persons can be external to give a stronger independency to the participation body.



**Development of training programmes** for local stakeholders in order to support them in understanding the challenges and the levels of actions, to participate in a debate, even to co-decide; training for elected politicians.

**On-going work:** local stakeholders should meet regularly in the phase of the plan development and co-creating with the competent authorities the local strategy in priority areas.

**Monitoring:** the participation body oversees the implementation of the plan by the municipality, having the possibility to report any problems to the Managing Authorities, when projects are being developed with Cohesion Policy funds.

**Resources:** adequate funding should be allocated at least for working of participation bodies (setup of meetings, reimbursement for Committee members, mobilisation of an external moderator).

### **Practical example: An urban renewal school/academy in France**

In the framework of the 2014 urban programming law, the CGET (national level) has provided a budget dedicated **to the training of citizen councils members** through the urban renewal academy/school. These trainings are mainly focused on the urban renewal but could be complemented (according the area) by external expertise focusing on communication means.

## **D/ FINANCIAL MANAGEMENT OF AREA-BASED REGENERATION POLICIES**

### ***Challenges: dedicating a budget for this strategy and the actions arising***

=> to optimise all financing, coordinating existing integrated budgets with national/regional or local sectoral resources and European funds.

=> to set-up a financial engineering to catch funding, to combine and support physical and soft interventions promoting urban integrated development.

### ***Merging funding from different territorial levels...***

Leveraging various sources of funding is key to develop integrated development strategies in priority areas involving different territorial levels:

- National/regional/local funds: specific funding dedicated to priority areas, sectoral/thematic policies budget lines;

- European funds: ERDF, ESF+ and Cohesion fund in the framework of the Cohesion policy but also thematic programmes from European Union, such as ERASMUS+ or Horizon Europe;

Beyond public financing, priority areas can also attract private funds. To attract private co-financers, innovation should be in the heart of action plans set-up by municipalities and priority areas, based on public-private partnerships (PPP) and social innovation. The area then becomes more attractive for private funders as such as foundations.

### **Practical example: financial engineering to support the City contracts in France**

Each inter-municipal organisation, which benefits from a city contract, should find funds to support their actions. Such funding might come from different sources:

- Specific national urban policy credits (430 million euros per year) allocated by the state to each region according to the number of city contracts and of inhabitants living in priority districts and then, distributed through call for projects.
- National sectorial policies/mainstream policies budget (education, health, safety...) with some prescribed percentage of measures, which should target people living in priority districts.
- Regional and other funds according to the field of interventions.

### **Practical example: equal distribution between three territorial levels in Germany**

Soziale Stadt programme is co-funded respectively by:

- the federal government (1/3 of the budget) according to three criteria linked to demographic and social issues
- the Länder and municipalities (respectively 1/3 of the budget for both of them)

### **...in a mid/long term perspective**

Catching funds is important to support actions targeting priority areas but ensuring funds for several years is better to develop a real strategic vision. A

multilevel governance approach should lead to a formal multi-years commitment/agreement/contract between municipalities and the different territorial levels (intermunicipal/regional/national levels) with some budget dedicated for several years. This requires significant capacity and training for staff responsible for fundraising and coordinating funding.

### *Funding for softer interventions*

Combining funding (and encouraging or enabling the intervention of ESF+) from different sources and territorial levels is important to allow multi sectoral integration and mixing of social and physical interventions. Soft interventions – investing in capacity building, interdepartmental work and financial engineering – is crucial.

#### **Practical example: two complementary programmes combining soft and hard interventions in Spain**

In Spain, a municipality can notably apply to two different programmes:

- Integrated sustainable urban development strategy 2014-2020 (EDUSI) implemented in the framework of cohesion policy. It supports the design and the implementation of strategic plan targeting specific areas in municipalities.
- ARI's programme within the state plan for housing. It supports physical interventions either in buildings (housing upgrading of refurbishment, provision of elevators, energy efficiency upgrading, etc.) or in public spaces

### *From the combination of several funds to a real block grant*

Mobilising funds from different sources requires a strong financial management capacity by the municipalities (processing large number of applications, knowledge of all available funding).

Having an optional ERDF-ESF-CF block grant (earmarked budget dedicated to priority areas strategy and actions defined by the municipality or inter-municipal organisation), managed by the municipality itself and supported methodologically by regional or national levels could be a more effective option than deal with all the potential sources one-by-one.

## E/ INSTITUTIONAL MANAGEMENT AND TECHNICAL SUPPORT

**Challenges: to organise the management of area-based policies targeting priority districts**

=> to set-up and support technical teams to manage financing and concrete implementation on the ground

=> to develop the conditions to settle a governance system involving various departments from the municipality and committing local stakeholders (elected representatives, residents, NGOs...)

### *Human resources and capacity building*

Human resources need to be assigned to the implementation of the area-based policy. The main tasks are the following:

- launch the design of the strategy and the plan (incl. diagnosis)
- mobilise different department of the municipality and/or of the inter-municipal organisations and to ensure the integrated approach
- combine funds from different sources
- implement on the ground the actions in cooperation with main stakeholders
- monitor the plan implementation and evaluate the outcomes
- stimulate and support the participation process and links to various governance bodies (including elected representatives).

### *A local office/agency to manage multi-level governance and urban integrated development in priority areas*

At the local level, management of the area-based policy can be under the responsibility of one department of the municipality, ensuring structured office working in an integrated way with all sectors. But experience shows that having an **agency/outside office**, which ensures a daily work on the ground, may be even more efficient in contributing to the concrete implementation of actions plans, to manage funding and to increase inhabitants' empowerment through an active "on-site" work. Such agencies can be located physically in the priority areas themselves. They can consist of municipal staff or external service providers. In any case, they facilitate the networking on the ground

with the mobilisation of all the stakeholders and the development of links between the municipality residents and NGOs.

These **technical teams** can be co-financed by national/regional level and/or as EU technical assistance funds.

#### **Practical example: mobilisation of external service providers in Germany**

In the framework of Soziale Stadt, management offices for neighbourhoods are set-up. Their role is to develop networking, cooperation with other stakeholders, representatives of local NGOs, training and education institutions, housing companies and local business, participation of the residents. In Berlin, these offices are led by service providers. On the one hand, they are neutral, which facilitates networking, on the other hand, however, it might be more difficult to ensure continuity of staff and to provide a continuous flow of information.

#### **Practical example: a technical complementary team in France**

Human resources in charge of priority areas are recruited by the municipality(ies) and the inter-municipality organisations in order to implement together the city contract (which is at the inter-municipality scale). The coordination is usually led by the inter-municipality organisation while the groundwork by the municipality(ies). Such management facilitates offer a better integration between the municipal and inter-municipality levels and help to connect the issues linked to the priority areas with the other city problematics. They also stimulate a horizontal integration between cities at the inter-municipality level.

#### **Establishment of governance bodies**

In addition to the technical team, municipalities should set-up **governance bodies** to make strategic decisions, to monitor the implementation of the municipal strategy targeting priority areas, and to guarantee the link between this area-based policy and the other municipal policies.

These bodies are important to ensure the integrated approach because **they involve different departments of the municipality and other stakeholders**. They also prove the municipal political commitment with the involvement of elected representatives. These bodies can also involve local residents' representatives.

## Practical example: three governance bodies required for each City contract in France

The urban laws oblige each inter-municipality organisation involved in a city contract to establish three different governance bodies:

- **steering committee** gathering elected representatives of all the stakeholders to validate, monitor and evaluate city contracts. It is co-chaired by the state, inter-municipality organisation and concerned municipalities.
- **technical committee**: gathering technicians from all the involved stakeholders, co-chaired by the state, inter-municipality organisation and concerned municipalities. Its role is to prepare steering committees and organise thematic working groups.
- **thematic working groups**: involving all the stakeholders concerned by the topics, like social cohesion, living conditions and urban renewal, employment and economic development and other possible transversal topic (e.g. fight against discriminations)

## F/ MONITORING AND EVALUATION

### *Challenges: planning for monitoring and evaluation*

=> to establish indicators and collect data (at the local, regional and/or national level)

=> to mobilise staff to collect and analyse the data that feed into the local strategy

=> to define an evaluation plan at the local level

### *Definition of the intervention area*

Most of European countries having an area-based approach for urban policy have defined intervention areas on the basis of statistical analysis. This requires that at the regional/national level, poverty-related data are available through the existence of observatories, and are enough detailed at a lower territorial scale, e.g. on the level of building blocks.

The principles for the definition of statistical indicators need to be based on criteria that are:

- Representative of the priority areas presenting the most important socio-economic difficulties

- Flexible to take into consideration the “living area” for residents (functional approach) – the areas surrounding the “priority areas” but benefiting from the existence of transport infrastructure, public services, which can be used by the residents of the priority areas
- Can be monitored and regularly updated (not too numerous, not too specific)

Beyond the statistical data, it’s also possible to include a social dimension by taking into account the experience of residents and NGO in these priority areas. This method combining statistical and qualitative approach can be a tailored-made solution to identify the priority areas.

### **Monitoring**

Monitoring is an opportunity for administrations to measure progress of local initiatives and their effectiveness in priority areas, to see if the implemented actions have an effect (positive/neutral/negative) on the socio-economic situation of the priority areas. This is one of the reasons why the use of indicators is essential. The monitoring system also needs to align with the mapping and the identification of the priority areas. An ongoing monitoring enables to improve strategies to better fit local needs in relation to the expected results.

#### **Practical example: Monitoring the “Soziale Stadt” programme in Germany**

In Germany the monitoring system includes the observation of social and economic developments at the municipal and individual-neighbourhood levels on the long-term.

In order to identify new priority areas as well as to decide whether to continue the funding of the Soziale Stadt, a series of indicators are used: Unemployment, Long-term unemployment, Receipt of transfer funding (aid money), Child poverty.

The decision on whether to discontinue a program is under the responsibility of the Municipality (or district in the case of Berlin).

### **Evaluation**

While monitoring is based on the follow-up of criteria all along the programme, evaluation is a strong consolidation of these criteria at the end or at mid-term and a qualitative analysis to go deeper for several points, for example on which there is a real improvement or on which there are none. The impact assessment at the end of a program in a priority area is closely connected to

the criteria that led to the identification of the priority area itself, in order to identify the improvement under the different indicators. For this reason, it is particularly relevant to identify indicators that can be regularly updated.

### **Practical example: Evaluation is requested by each City contract in France**

The 2014 urban programming law requires that a local evaluation organisation is identified in order to undertake an evaluation at mid-term and at the end of the city contract (2020). It can be carried by the steering committee or an ad-hoc organisation. Its role is to assess the city contract results. The Citizen council participates in the evaluation process but the 2014 programming law does not explain the modalities. The evaluation can be financed by the national urban policy specific credits.

An evaluation methodology has been provided in February 2017 by the national observatory for urban policy (ONPV). The ONPV is a public structure created by the programming Law (2014) in order to improve the knowledge of priority areas.

### *Measuring impact*

The fact that an area/neighbourhood remains a priority area at the end of a programme does not mean that the intervention was not useful and that it didn't raise the residents' living standards. There may be several explanations for this phenomenon:

- the period covered by the evaluation is too short to achieve the potential changes in the area-based policy.
- an improvement of the living standards of the residents might lead to their departure or the arrival of new people in the area.

Moreover, if priority areas are taken out of a programme because no longer responding to the criteria of a priority area, they might still need support and monitoring.



## Appendix 1

Overview of the basic features and recommendations of the Local Pacts as a policy approach

Topic	Local Pact for Priority Areas policy approach
A/ Multi-level Governance policy framework	<p>A common framework for the „Local Pact for Priority Areas“ as an urban regeneration policy approach for priority areas, defined at the national or at the regional level, in cooperation with the local level.</p> <p>A necessary commitment (formal or not) from different territorial levels with a clear distribution of roles (incl. the selection of priority areas targeted by local pact).</p>
B/ Integrated approach	<p>A combination of hard interventions and soft measures.</p> <p>A cooperation between all relevant departments of the municipality and agglomeration levels (urban planning, social affairs, environment, labour, etc.) to contribute to the development of integrated plans for priority areas.</p> <p>A political leadership to achieve the agreement between the relevant departments by contributing with funding to the implementation of the approved plans, with the ambition to balance different interests and ensure cooperation.</p>
C/ Participation	<p>Establishment of a Committee of Local Stakeholders (CLS) with representatives from public, private, civic and knowledge institutions. This works similarly to the URBACT Local Groups, advising the municipality for the development of integrated plans for priority areas.</p> <p>Establishment of a financial initiative (grant system) to support the activation of local inhabitants, allowing them to create pilot local solutions to their needs. The priorities and identification of awarded projects would be coordinated with the CLS.</p> <p>A training programme for the local stakeholders and representatives of inhabitants of priority areas, for which specific budget has to be assured.</p>
D/ Financial Management	<p>Development at local level of a strong coordination of the funds: ERDF ESF + national/regional/local funding related to the multi-level governance policy.</p>
E/ Institutional management and technical support	<p>Establishment of a local office/agency as link between the programme and the residents in the action area: task force, whose cost is planned in the legal framework of the urban policy.</p> <p>Providing mentoring and technical assistance to the municipality and the Committee of Local Stakeholders.</p> <p>Establishment of a governance system based on technical and political committees.</p>

Topic	Local Pact for Priority Areas policy approach
F/ Monitoring and Evaluation	<p>Development of a common methodology for the identification of priority target areas at city/metropolitan scale.</p> <p>Development of quantitative and qualitative tools to monitor and evaluate the evolution within priority areas based on the interventions carried out.</p>