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Towards a regional urban agenda: approaches and tools

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ABSTRACT
During the 2014–20 programming period concerning European structural and investment (ESI) funds, the urban dimension has assumed considerable importance within European Union Cohesion Policy. This shift aims at guaranteeing more coherence between European challenges and urban planning, and at using European funding in a more efficient way. The definition and implementation of an urban agenda has become a prerequisite to meet the objectives of sustainable economic development based on an integrated approach to urban policy. From this conceptual perspective, the collaboration and coordination efforts between different levels of government represents a key element. Therefore, the implementation of models of multilevel governance could promote sustainable and socially inclusive growth of European cities, and greater involvement and coordination of urban areas within decision-making processes. This paper addresses the integrated approach to sustainable urban development through a critical analysis of the implementation of integrated territorial investments (ITIs) in the case study of the Sardinian region of Italy to investigate whether ITI could serve as a tool for pursuing/implementing the urban agenda.

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INTRODUCTION
Since the publication of the document Towards a European Urban Agenda (1997), the European Commission (EC) has highlighted the necessity to include an urban dimension within European Union (EU) Cohesion Policy, starting a heated debate (EC, 1997). Whilst the core principles are made clear by the Pact of Amsterdam (30 May 2016), how member states should use the funds and implement the approach is still debated and open to questions.

Indeed, despite the potential represented by the increasing emphasis on the urban dimension of Cohesion Policy, its success will depend on the modalities of developing and implementing urban policies by national and regional administrations (Atkinson, 2015). The new orientation of the EU in relation to the implementation of urban strategies is represented by integrated territorial investments (ITIs), a new tool introduced in 2013 by Art. No. 36 of Regulation (EU)
No. 101/2013 to promote multidimensional and cross-sectoral interventions. The added value offered by ITIs concerns the promotion of a territorial dialogue among different stakeholders at local, regional and national levels, and the introduction of multilevel governance (MLG) systems (EC, 2015). Nowadays, the concept of MLG has been commonly used to understand and describe how the EU works in practice through a political system characterized by vertical and horizontal interactions and relationships among different territorial levels (Dąbrowski, Bachtler, & Bafoil, 2014), such as supranational, national, regional and local.

This research contributes to the debate through the definition of a series of critical considerations in relation to the implementation of an urban agenda at the local level within the programming period 2014–20 concerning the European structural and investment (ESI) funds, analysing approaches and tools in relation to actions in urban areas, defined in specific documents, called regional operational programmes (ROPs), in which regional administrations plan the use of community resources.

In particular, the paper addresses the integrated approach to sustainable urban development (Art. No. 7 of Regulation (EU) No. 1301/2013) through a critical analysis of its implementation, at the local level, with ITIs. In this paper, ITIs are analysed as tools to implement and manage urban policies among different territorial levels, and thus in our view ITIs represent a tool of MLG. The analysis of ITIs, as a recent orientation of the EC towards implementation of urban policies at national and regional levels, represents an original and fresh piece of research within the constantly evolving concept of the urban agenda.

This research investigates whether ITIs could serve as tools for pursuing/implementing the urban agenda, drawing on the example of the Sardinian 2014–20 ROP concerning the European Regional Development Fund (ERDF), henceforth called OP.

The paper is structured as follows. The next section reviews the relevant literature to identify the unresolved issues to which the research is contributing. The third section defines the methodological approach and provides information on the case study, analysing the key aspects concerning the Italian partnership agreement (PA) and the OP. The fourth section suggests considerations for how the Sardinian region has interpreted the concept of an integrated approach to sustainable urban development in relation to regulations on ESI funds and Italian PA. We take three frames of analysis: territorial, thematic and financial integrations. The last section concludes and provides directions for future research.

**MLG IN THE IMPLEMENTATION OF THE URBAN AGENDA**

The role of cities as driving forces for social and economic development within European policies (Tortorella, 2015) was emphasized in a communication of EC entitled ‘The Urban Dimension of EU Policies – Key Features of an EU Urban Agenda’ in 2014. The consequent debate, the result of which was presented to the ‘City Forum’ in June 2015, defines a European urban agenda through the signature of the Pact of Amsterdam by European ministers for urban development.

The EC’s general goal is to develop an urban agenda to promote a closer collaboration in relation to urban issues among all government levels including European institutions, member states, regions and cities (Grisel & Fermin, 2015). Therefore, the development of tools for MLG to promote a sustainable and socially inclusive growth of European cities, and the involvement and the coordination of urban areas within decision-making processes, represent two important aspects of this multiscale collaboration (Westphal, 2016).

Despite advantages provided by numerous authors in terms of ‘scale flexibility’ (Marks & Hooghe, 2004) and greater effectiveness of interventions (Bache, 2010), the use of MLG models in the implementation of EU cohesion funding has entailed tensions and resistance within the existing organizational models (Stephenson, 2013). Therefore, the need for coordination among different actors may cause implementation deficiencies in terms of administrative capacity and institutional conflicts among supranational, national and subnational levels (Milio, 2014). In fact, the role of local institutions and policy-making styles is a hotly debated topic. It is not clear who...
decides’, ‘who benefits’ and ‘who is excluded’ (Dąbrowski et al., 2014). For example, in relation to the 2014–20 programming period, some countries have asked for greater clarity in terms of the roles and practical applications of ITI tools. Indeed, despite the greater flexibility of ITIs, which can combine funding from several priority axes of one or more operational programmes, some countries are worried about the fragmentation of Cohesion Policy interventions that the implementation of ITIs could entail (Mendez, Bachtler, & Wishlade, 2012). It is not clear whether ITIs should be the only instruments for implementing integrated strategies for sustainable urban development and whether cities have the capacities to manage them (Mendez et al., 2012).

A critical aspect concerns modalities in which member states interpret guidance from the EC and embed these within their PAs, and then how regions develop and implement new tools within ROPs.

Cooperation across different levels of government on urban policies have been relatively limited because, on one hand, the EC’s activities take the form of principles rather than actions, and, on the other, national political agendas have conditioned urban development within member states (Atkinson, 2015). Following the assessment of Swianiewicz, Atkinson, and Baucz (2011), one example is the partially failed implementation of URBAN initiatives in the majority of member states, where the opportunity to develop tools and approaches in support of integrated urban development was only partially taken into account. Indeed, at the national level, strategies and instruments directed at cities are implemented in a sectoral way without considering financial, thematic and territorial integration (Atkinson, 2015). Although the concept of an integrated approach can be traced back to the origins of EU Cohesion Policy, its application to urban development relates to the Leipzig Charter (in 2007) that aims to enhance the role of integrated urban development. In fact, according to this document, the integrated approach represents a way of coordinating spatial, sectoral and temporal dimensions of urban policy and, at the same time, prioritizes the implementation of the EU sustainable development strategy.

Finally, uncertainties about both decision-making responsibilities and beneficiaries of the implementation of these processes, and greater powers of subnational institutions, could represent a problem if regions and cities do not have competences and skills in order to manage this additional power (Milio, 2014). Therefore, the capacity of cities to develop an integrated approach in which combining more objectives in a long-term strategy is a key factor in implementing an urban agenda at the European and national levels.

**METHODOLOGY AND CASE STUDY OVERVIEW**

The contribution of this research concerns the integrated approach to sustainable urban development and its implementation in the case study of the Sardinian region of Italy. Sardinia is an island characterized by a low population density, around 70 inhabitants/km², and by small and medium-sized cities. In fact, according to data provided by the 2011 census, only Cagliari and Sassari exceed 100,000 inhabitants.

In this context, the OP implements integrated strategies for sustainable urban development in the main cities (Cagliari, Sassari and Olbia) through ITI tools, although its use is strongly discouraged by the Italian PA because in Italy integrated approaches have previously delivered disappointing results in both past and present programming periods (Agenzia per la coesione territoriale, 2014, p. 687). This controversial issue makes Sardinia a noteworthy case to investigate whether ITIs could serve as tools for pursuing/implementing the urban agenda.

According to the Italian PA, the considerable administrative complexity does not bring benefits in terms of the effectiveness of process and efficacy of results. In the definition of ROPs, the use of the ITI tool is recommended when two circumstances occur: interventions in strategic areas and use of co-planning processes. Therefore, ITI is particularly advisable in relation to integrated programming concerning the implementation of national strategies and for inland areas (Agenzia per la coesione territoriale, 2014, p. 687).
In relation to the definition of ITI tools in the ROPs, the PA defines three thematic binding investments in urban areas referred to as drivers of development (i.e., the modernization of urban services; strategies for social inclusion; and the strengthening of supply chains) (Agenzia per la coesione territoriale, 2014). In particular, the OP actions for ITI are geared towards social inclusion. The case study is analysed through a methodological model summarized in Figure 1.

Research questions are investigated through a qualitative analysis that extracts and triangulates data from semi-structured interviews and secondary sources. Interviews involved key local actors (officials of the local and regional governments and experts on the 2014–20 programming period concerning the ESI funds) in relation to the elaboration of PO to access in-depth information from different perspectives. Interviews were interpreted through a thematic analysis using a matrix of three central themes (territorial, thematic and financial integrations) that are particularly relevant to the general goals of the EU of pursuing territorial, economic and social cohesion. Secondary sources were analysed through content analysis.

THE UPS AND DOWNS OF ITI IMPLEMENTATION: THE CASE OF THE SARDINIAN REGION

This section analyses the implementation of an integrated approach to sustainable urban development in the Sardinian region in terms of financial, thematic and territorial integration. The analysis emphasizes two critical issues, which represent the main tension elements highlighted in the literature review, as follows:

- Lack of coordination among national, regional and local levels.
- Inadequate administrative capacity of the regional government and cities to manage these processes.

In terms of administrative capacity, in the Sardinian case study the strategy and the identification of areas were inadequate in relation to the urban context because actions, focusing on interventions at the neighbourhood scale, were not connected either to each other or to the rest of the city. The Sardinian region decides to focus on the deprived neighbourhoods of Is Mirrionis in Cagliari, San Donato, Sant’Apollinare and Valle del Rosello in Sassari, and Sacra Famiglia and Pultu Cuadu in Olbia (Table 1), combining investments from two operational programmes, the ERDF and the European Social Fund (ESF). Moreover, in terms of coordination and participation, although all citizens could be potential users of these specific interventions, the non-involvement of local communities prevents identifying final beneficiaries and, consequently, results in the exclusion of some key stakeholders.

In relation to financial integration, according to the data from the interviews, although the EU and economic policies promote a close cooperation between public and private sectors for the benefit of citizens (Council of the EU, 2016), in Sardinia the process of ITI implementation is conducted only by public administrations, relegating the private sector to a second-tier role. Secondly, the EC provides for the possibility of financing components of ITI from national, regional and local budgets (EC, 2014), entailing a greater integration in terms of strategy and funds. However, in the case of Cagliari, investments come completely from ESI funds.

In relation to thematic integration, as emphasized by an interviewee:

the approach used by Sardinia to ITI implementation is based on a thematic concentration rather than on thematic integration. The choice of concentrating on social inclusion reflects the scarcity of financial resources and the necessary compliance with principles of fund concentration, suggested by [the] EC that inevitably directs Member States to select few themes and few integrated projects.
Moreover, as claimed by another interviewee, ‘the national government has completely delegated the definition of strategies for urban areas, in terms of themes and identification of areas, to regions in order to promote cities as driving forces for regional development’.

Figure 1. Conceptual model of the methodology. Source: Authors’ own elaboration.
In relation to territorial integration, Sardinian regional administration has decided to concentrate on only three cities at the neighbourhood scale. From a critical analysis of the annexes to the decision of the regional government of Sardinia n. 26/6 of 11 May 2016 concerning ITI Is Mirrionis (hereafter ‘document ITI Is Mirrionis’), the strategy is based on actions oriented towards specific interventions, such as the renovation of existing buildings. As highlighted by an interviewee, ‘the majority of urban settlements and the entire regional territory will not benefit from this regional strategy. Consequently, the objective of cities as driving forces for regional development is difficult to achieve’.

In addition, as claimed by an interviewee, ‘the choice of intervening at neighbourhood scale results from a specific decision of regional administration that considers the possibility of confining actions to urban areas a benefit due to a less complexity in management terms’. From a critical analysis of document ITI Is Mirrionis, the intervention logic on which the regional strategy is based is not clear. This is in contrast to EC (2014), according to which ITIs should focus on intervention logics based on existing territorial strategies, such as existing strategic planning. However, the Strategic Plan of Cagliari, approved in 2009 and revised in 2012, identifies social inclusion as a widespread problem, even if Is Mirrionis is not mentioned as a key neighbourhood.

Finally, according to EC (2015), a significant added value of ITIs concerns the promotion of territorial dialogue and partnership among different stakeholders such as non-governmental organizations (NGOs) and representatives of local community groups. In relation to ITI implementation at the district level, as in our case study, the EC suggests the use of Community-led Local Development (CLLD) to involve local communities (EC, 2015). Regional administration decided not to use CLLD. Although in the document ITI Is Mirrionis a participatory process seems to be an important part of its strategy, local communities and NGOs were not involved in the process to define shared strategies and objectives. Thus, it is not clear at the neighbourhood level who are the final beneficiaries of these urban actions.

Table 1. Information on integrated territorial investments (ITIs) in terms of area of intervention, progress status and stakeholders involved in the process.

| ITI                  | Area of intervention | Progress status                                                                 | Stakeholders                        |
|----------------------|----------------------|----------------------------------------------------------------------------------|-------------------------------------|
| ITI Cagliari – Is Mirrionis | Neighbourhood of Is Mirrionis | Programme agreement between the local municipality of Cagliari and the regional administration (approved on 11 May 2016) | Local and regional governments      |
| ITI Sassari Storica | Neighbourhoods of San Donato, Sant’Apollinare and ‘Valle del Rosello’ | Programme agreement between the local municipality of Sassari and the regional administration (approved on 12 April 2016) | Local and regional governments      |
| ITI Olbia – Città Solidale Sostenibile Sicura | Neighbourhoods of Sacra Famiglia and Poltu Cuadu | Programme agreement between the local municipality of Olbia and the regional administration (approved on 4 April 2017) | Local and regional governments      |

Source: Authors’ own elaboration.
CONCLUSIONS

This research contributes to the debate concerning the definition and implementation of an urban agenda, focusing on MLG processes for implementing EU guidelines at the local level. The analysis of a Sardinian case study has highlighted some important issues in terms of coordination. First, the coordination between national and regional levels is missing because the national level does not provide a national strategy and, through the PA, delegates the choice of the most appropriate tool to regional administrations.

The lack of national guidelines results in regional administrations having a certain degree of freedom in defining choices and strategies. Contrary to the common view, these are not always appropriate to the territorial context, as in the Sardinian case. In fact, Sardinia has only three cities defined as ‘urban areas’ and several small-sized towns. Consequently, the approach suggested by Atkinson (2015) to involve networks of small and medium-sized towns in the distribution of EC financing seems to be more appropriate to the Sardinian context.

The results of our analysis demonstrated that ITIs represent a useful tool for pursuing/implementing an urban agenda for the EU. In fact, ITIs offer added value in terms of a more effective territorial dialogue among different stakeholders, and may represent an appropriate tool to deal with problematic issues that characterize the urban areas analysed in this paper.

However, its capacity to deliver results is strongly influenced by how choices are made at regional and local levels and if they are consistent with the principles of an integrated approach to sustainable urban development. Therefore, the administrative capacity through which regional and local strategies and actions are implemented is a key factor.

From these critical viewpoints, it is possible to define some considerations for policy-makers at regional and local levels within the EU. First, a combined use of ESI funds and other sources of financing, such as national, regional or private, could guarantee and promote multidimensional and cross-sectoral interventions in compliance with Art. No. 36 of Regulation (EU) No. 101/2013. Secondly, strategies should be based on a detailed analysis that identifies the strengths and weakness of the territorial context in order to identify key themes and intervention areas, and enabling positive repercussions for the entire region.

In order to strengthen territorial and thematic integration, effective partnership processes are fundamental from the early stages of the definition of strategies. The integration of a bottom-up process, such as the use of CLLD or the development of a real participatory process within the ITI implementation, could overcome some of the limitations of MLG models in the implementation of an urban agenda at the local level, as highlighted in this paper.

In conclusion, future research could undertake a comparative analysis of MLG processes used by different Italian regions or member states for implementing an urban agenda to understand how different administrations at regional or national levels have interpreted EU guidelines.

NOTES

1. The PA is a strategic plan with investment priorities that covers ESI funds and it is negotiated between the EC and national authorities. The Italian PA was approved in October 2014.
2. According to the Italian AP (Agenzia per la coesione territoriale, p. 767), urban areas are identified in relation to demographic aspects and the presence of urban functions that serve a wide area.
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