



Elements for a Common Strategic Framework 2014 to 2020

Response to the Commission's staff working document

We appreciate the overall objective of the draft Common Strategic Framework (CSF) to set out how the five CSF funds can work together towards the Europe 2020 objectives by backing different actions within their areas of priority. The comments below are provided on the basis of the Commission's staff working document. However, we take note of the ongoing discussions on the legal status of the CSF in relation to the draft structural funds regulations.

A CSF that backs delivery of Europe 2020

If the CSF funds - to which the majority of the EU budget is allocated - are to be successful in supporting delivery of the Europe 2020 objectives, three basic issues are essential:

- We must get the governance structures right.

The draft CSF suggests that the partnership contracts must set out how strategic priorities will be identified for the five funds and how the coordination at national level will take place. The success of the next programming period will depend on the strengths of the partnerships. It is essential that Europe's major cities are directly involved in those partnerships, together with member states and regions. Only this way can we ensure that the partnership contracts and investment priorities adequately address the challenges on the ground. It is crucial for effective multi-level governance, coherent strategies and better value for money.

- The CSF funds must be able to support integrated approaches.

The staff working document notes that an integrated approach, linking Europe 2020 with regional and local stakeholders, will require improved coordination across different territorial levels and funding sources. Again, the partnership contracts will be a key element in developing this integrated approach. But it is also about ensuring the funds can work together practically to support integrated actions, from the programming phase down to project implementation.

- The key actions under the thematic objectives must prioritise investments that can drive socio-economic and territorial development across the EU.

Cities need investment to tackle deprivation and unemployment, to lead green growth, to improve public transport, energy and waste infrastructure, to drive innovation and to improve security. Empowering and resourcing our cities to become smarter, more sustainable and more inclusive will benefit Europe as a whole.

A strong urban dimension across all thematic objectives

The outline of key actions under each thematic objective gives a better understanding of how the Commission envisages the complementarity between the funds. It is also a helpful insight into the potential funding priorities under the different thematic objectives. We are pleased that many issues of importance for cities and urban areas are reflected in the key actions under several of the thematic objectives.

In particular, we welcome the following elements in the key actions and encourage the Commission to maintain them as the work on the CSF develops further:

- The clear recognition of the need to take into account the territorial dimension of poverty and the need to employ multidimensional approaches to integrate marginalised groups.
- The attention to creating an innovation-friendly business environment for SMEs and local companies.
- The focus on enhancing the competitiveness of SMEs and developing their capacity to anticipate and manage change. This includes investment in entrepreneurship, access to finance, business advisory services, the development of new business models and support for emerging sectors.
- The recognition of the potential of culture, including heritage and the creative industries, to boost socio-economic development and the stimulate the diversification of regional and local economies. This includes investment in the development of creative hubs and creative skills in research, innovation, competitiveness and entrepreneurship in cultural industries.

However, the following points should be added to key actions during the next phase of discussions:

- On environment and promoting resource efficiency, the framework concentrates heavily on 'hard' measures, such as infrastructure development. Whilst this is clearly important, 'soft' measures such as behavioural change should also be possible. This would allow local authorities and others to combine LIFE and ERDF funding, for example, for such actions.
- Investment in noise reduction in urban areas, in particular tackling vehicle noise, should be added to the key actions for ERDF and the cohesion fund under priority 6.
- Sustainable urban transport and transport management must be included in both thematic objectives 7 (promoting sustainable transport and removing bottlenecks in key network infrastructure) and 4 (supporting the shift towards a low carbon economy). Currently it is only mentioned under thematic objective 7. Urban transport measures are crucial to achieving a low-carbon economy in cities and a key element in an integrated city strategy. Inclusion in objective 4 would enable these measures to be included in the proposed 80% thematic concentration in the ERDF. This would allow also more developed regions to fully use the potentials of the funds to support innovative urban transport developments and as such ensure a better impact.
- Investments should be directed to inter-urban connections on the core TEN-T railway infrastructure. It is important to ensure good interfaces between long distance networks and the local nodes on the core network.
- The links between thematic objective 4 and the main thematic priorities for ESF, especially 8 and 10, must be more explicit. ESF support for training and up-skilling the work force in energy efficiency, low-carbon technologies and their deployment, as well as climate adaptation, will be essential to ensure the transition to a low-carbon economy. The Commission has already identified lack of training in the building sector as a major barrier to

increased energy efficiency, and architects, planners and others will have to be trained if they are to adapt the built environment of cities to climate change.

- Local public authorities are key providers of education and training and we welcome the references to 'reducing territorial disparities' and 'fostering non-segregated education'. But the regional and local dimension of thematic priority 10 (investing in skills, training and life-long learning), including the need to focus on disadvantaged areas, is otherwise not explicit and should be reinforced in the key actions.

Complementary and coordinated funds in practice?

We welcome the emphasis on better coordination and clarity on priorities for different funds in order to avoid unnecessary overlaps. However, the Commission's staff working document limits itself to outlining the funds for which synergies must be ensured under the different thematic objectives, rather than explaining how this will work in practice.

For example, the CSF recognises that 'synergies should be sought' between the ESF and the Programme for Social Change and Innovation, including in areas such as mobility or microfinance, but it does not specify how this should be done. The same is true in relation to synergies between ESF and the Erasmus for All programme. Our concern is that, in practice, it will continue to be very difficult to coordinate and join up funds on the ground.

The proposed new instruments promoting local and sub-regional integrated development, community-led local development (CLLD) and integrated territorial investments (ITIs) will be the real test for the integration of the CSF funds. The instruments will only be able to drive forward integrated development, stimulate urban-rural linkages and promote functional area cooperation if the combination of the different CSF funds at project level can be made practically possible.

In the particular case of coordinating funding priorities between Horizon 2020 and the ERDF, we must ensure the continuation of exchange between European research and innovation policy and the regional and local actors implementing the policy on the ground. We recommend that Horizon 2020 maintains a territorial and transnational dimension. The proposal to limit capacity-building to structural funds could exacerbate inequalities between regions in terms of their research infrastructure and undermine equal participation in the European Research Area.

Under the current proposals for thematic concentration in cohesion policy, significant structural funds spending on research and innovation would only be guaranteed in competitiveness regions. Operational programmes in less developed regions might not include sufficient capacity-building in the area of research and innovation, resulting in a widening gap. Direct access for cities to funding for research and innovation under the principle of competitive bidding would be cut.

It remains unclear to what extent the transnational capacity-building, mentioned in Annex II of the staff working document, would provide for the same funding instrument and framework conditions as the current Regions of Knowledge programme.

At a more practical level, the proposal for greater use of eGovernance solutions and 'one-stop-shops' for advice on support from all CSF funds would be helpful and would be one way of facilitating greater coordination between the funds. However, pushed by the squeeze on public finances, cities, together with other beneficiaries, are likely to want to tap into a range of EU funding streams beyond the CSF funds. Therefore, such one-stop-shops should at least be linked to the different national contact points for other funding streams outside the CSF to really make a difference.