

Management of EU Structural Funds by European Metropolitan Areas and Cities

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Barcelona, April 2016

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1. Highlights and recommendations

The results of the Survey conducted for the purposes of this paper confirm that Metropolitan areas (metros) do not play a significant role in the management process of EU Structural Funds throughout the different stages defined by the ESIF Regulations (programming, implementation, monitoring and evaluation). Indeed, despite the fact that in some countries, such as the Netherlands and Austria, some metros have been charged with the management of significant programmes, in most cases, like in Germany and Italy, their role has been constrained to that of mere beneficiaries of Operational Programmes managed by regions (or federal states) or central governments.

The significance of metros is codified in some EU countries via specific laws (such as the Barcelona Municipal Charter) and in others through agreements granting them special status (as is the case of Vienna, Paris, Lyon, Milan and Turin). However, this status is not taken into account by the EU in its ESIF Regulations, which treat these areas in the same manner as other urban areas and local governments. As an example, Paris, with more than 13 million inhabitants, receives the same treatment under EU Regulations as the rest of the 36,697 municipalities in France.

In terms of the amounts of funds they manage, the metropolitan areas analysed here receive funds that run the gamut from extremely low figures (Frankfurt, for example got just 0.58M€ under the 2007-2013 Multiannual Financial Framework) to very considerable amounts (with Greater Manchester getting 415M€ under the current MFF, and Liverpool receiving 504.9M€ in the same period). However, the total amount managed by all these institutions put together makes up only 0.43 % of the total dispersed under the ERDF and ESF for the period 2007-2013. This is a remarkably low percentage given that 5.45 % of the total EU population resides in these areas.

Indeed, the Survey has shown that the amount of funds managed by some European metros has no coherent correspondence with the GDP or the proportion of their countries' populations they represent. To continue with the example of Paris, the city accounts for 30 % of the national GDP and 3.4 % of the national population, but it was able to manage only 0.10 % of the total amount allocated by the Structural Funds in France during the 2007-2013 MFF. There is a similar phenomenon in Barcelona: 10 % of the national GDP, 7 % of the national population and only 0.15 % of the Structural Funds earmarked for Spain; Budapest, 35 % of the national GDP, 18 % of the population and 0.19 % of the Hungarian Structural Funds, and Turin, 4.5 % of the Italian GDP, 1.5 % of the national population and 0.19 % of the Structural Funds allocated to Italy.

On the other end of the scale, Amsterdam and the two British metros covered by this Study, Greater Manchester and Liverpool, present either balanced or positive ratios. Amsterdam accounts for 13 % of the Dutch GDP, 5 % of the population and 6 % of the Structural Funds allocated to the Netherlands over the period 2007-2013; and Liverpool, 1.45 % of the UK GDP, 2.33 % of the UK population and 5.11 % of the British Structural Funds. The case of the Greater Manchester must be treated separately. The northern metro represents 3.7 % of UK GDP and 4.2 % of the UK population, and its participation in the Structural Funds has evolved in a very positive manner, going from 1.20 % (only 117M€ ERDF) in the 2007-2013 MFF to 3.85 % (415M€ ERDF and ESF) in the current one. The involvement of these metros in the management of Structural Funds clearly points the way forward for other institutions. At the same time, it is an indication of the degree of localisation in the country, highlighting the fact that in the UK and in the Netherlands local authorities have a particularly high level of autonomy relative to the rest of the countries involved in this Study.

Therefore, European metropolitan areas should join in a call for a greater allocation of the Structural Funds to their territories in order to secure a coherent balance between funds assigned and their weight on a national level in terms of GDP and population.

The Survey also underlines that the number of metros identified as managers of EU funds, whether as Managing Authorities or as beneficiaries of Global Grants, has significantly increased in the current period. However, there still prevails a misconception about the importance of their participation in some of the different stages involved in EU Structural Fund management, especially in monitoring and evaluation.

Although most of the analysed metros participate in one way or another in the programming stage, the efficacy of this participation varies greatly from one metropolitan area to another. Indeed, in some cases metros play a crucial role as decision makers – Amsterdam – while in others their participation is limited to occasional consultations or meetings – Barcelona and Frankfurt –.

In this context, it is worth noting that Greater Manchester and Liverpool manage their important participation in the Structural Funds through an innovative structure, the Local Enterprise Partnerships (LEP). Similar to regional development agencies, these partnerships bring together local authorities and businesses to decide jointly upon the investment priorities for the territory.

Another cause for concern is the fact that metros, like cities and local governments in general, do not play a significant role in the monitoring and evaluation phases of Operational Programmes. This participation should be strongly encouraged, as greater involvement on their part in these two stages would lend greater transparency and accountability to the management of Structural Funds.

In terms of the investment priorities of the metros analysed, there has been a marked tendency for them to move beyond the classic concerns of the urban agenda (environment, transport and mobility, SMEs and employment) into other emerging policy areas, with innovation in particular taking hold as one of the core priorities for European metros.

Indeed, ICT and R&TD appear as the second on the list of priorities for the analysed metros, with low-carbon economy also taking a place in the top five domains of intervention in the 2014-2020 Multiannual Financial Framework.

Metropolitan governments should demonstrate to the EU institutions the role they play in the European Union as engines of economic, social and cultural, sustainable and inclusive development, as well as provide arguments to justify the strengthening of their direct involvement in the EU Structural Fund management in all the related stages. A coordinated action involving the major networks of cities should be undertaken, both in the interests of greater efficiency and to ensure that the results are replicable in other EU territories.

Metropolitan areas should be encouraged to take on managerial roles (acting as Managing Authorities or as Intermediate Bodies, or in other words as recipients of Global Grants) and to move far beyond involvement as mere beneficiaries. Metros should actively participate as decision-makers in the programming stage and get involved as key actors in the follow-up and evaluation of the Operational Programmes.

Beyond the fact that the financial allocations from the ERDF and the ESF are crucial to the metro areas analysed, the Survey has shown the active role these institutions play in European Territorial Cooperation projects and the value they provide to other EU transnational instruments directly managed by the European Commission such as Life, Horizon 2020 or COSME.

This clearly illustrates the importance of strengthening the capacities of metros, thus enabling them to be actively involved in transnational initiatives and to take part in the above-mentioned programmes. It also highlights the need to bring to bear the specificities of metropolitan values, interests and concerns on the formation of EU policies and financial instruments in some key areas such as environment, technological research or SME support.

As will be discussed throughout the Study, within the current Multiannual Financial Framework the EU has established and reinforced a set of specific

instruments to help institutions streamline the implementation of their priorities in their territories: Community-Led Local Development (CLLD), Territorial Pacts, Integrated Territorial Investment (ITI) and Financial Instruments (FI). However, more than half of the metros analysed are not using any of them. Despite the clear and valuable territorial approach of these instruments, only ITI seems to have achieved a certain degree of acceptance amongst metros –Lisbon, Lyon, Amsterdam, Budapest, Paris–. This would lead to the conclusion that either most of the instruments fail to serve the needs and interests of big urban agglomerations, or that national and regional authorities are not fully interested in using these instruments or in including the metro areas in them.

In light of this shortcoming, and because of the crucial role that metropolitan areas play in Europe and around the world, a specific instrument should be defined in the forthcoming post-2020 MFF Cohesion Policy. It should be designed to strengthen metros' capacities as urban hubs for innovation and inclusive and sustainable development, and to better reflect their role in tackling key issues as public transport and mobility, urban environment, research, knowledge, economic development and social cohesion.

By way of conclusion, it is worth adding that the process of conducting this Study has revealed the lack of accessible and systematised information and data concerning the participation of metropolitan areas in Structural Funds and other EU funding within metropolitan institutions. Indeed, most of the metros analysed do not have a specific department that compiles the existing information, which normally remains under the control of the various sectoral departments that manage the projects. It is therefore difficult to come to a precise idea of the real dimension of the participation of metropolitan areas in EU funding.

Consequently, it is strongly recommended that metropolitan areas put in place specialised departments charged both with managing communication with EU and national institutions on issues related to European Structural and Investment Funds and other EU funding, and with acting as a repository for information. This would

allow for better management, follow-up and evaluation of programmes and projects, and these entities would in turn be able to advise the various sectoral departments on how better to take full advantage of future funding opportunities.

2. Introduction

According to statistical data from 2014 made public by Eurostat, 72 % of the European population currently lives in cities and metropolitan areas. It is foreseen that, by the year 2050, this figure will reach 80 %. The European Union is fully aware of the important role local governments must play as motors of socioeconomic progress. The EU has thus made a focus on cities one of the central tenets of its cohesion policy. However, while there has been no shortage of new policies aimed at local governments, municipalities have most often been limited to the role of mere beneficiaries of these initiatives, and there are still few possibilities for them to play an active role in the decision-making stage.

During the European Metropolitan Authorities forum held in Barcelona on 13 March 2015, mayors, presidents and political representatives from 15 metropolises and 10 EU countries made a joint declaration calling on the European Union to allow a larger degree of participation by metropolises in EU affairs.

The Barcelona Declaration specifically requested a greater degree of participation of metropolises in the management of EU Structural Funds in their territories, a responsibility that is now exercised by Member States and regions.

In this context, the Barcelona Metropolitan Area has carried out this Study on the role played by the main European metropolitan areas and cities in the management of EU Structural Funds and as participants in European projects.

This Study covers both the recently completed period 2007-2013 and the current period 2014-2020, and it features an analysis of the funds that are managed by European metropolitan areas and cities, the priorities they reflect and the instruments that are used to manage them. This

information will help produce a clear picture of the current state of European funding in metropolitan areas, and it will provide evidence to support the call for greater participation in this funding.

The results of the Study will be shared with the EU institutions with the aim of jointly evaluating the contribution of the metro areas to the implementation of the current EU policies and funds, and thus defining how their role may be reshaped in the coming post-2020 Cohesion Policy.

3. Methodology

This Study was conducted using an online Survey that was given to 15 metropolitan areas and cities in Europe (for the purposes of this study, henceforth “metropolitan areas”). The Survey consisted of one set of questions referring to the 2007-2013 period and another set referring to the 2014-2020 period. It consisted of an objective section (questions on the past, current and future participation of metropolitan areas in the preparation, management and use of the EU Structural Funds for both periods) and a subjective section, in which participants were asked for their opinions on the subjects above. The Survey responses were collected through individual phone and e-mail conversations with the institutions.

The selected institutions are 15 of the major metropolitan areas and cities in the European Union, and they represent 10 different Member States. The participating metropolitan areas do not necessarily all have comparable institutional frameworks, as among them they include a variety

of structures such as metropolitan governments (like the Barcelona Metropolitan Area) and metropolitan agencies (like the Metropolitan Area of FrankfurtRheinMain). In other cases, the cities that are part of a metropolis responded to the questionnaire. Only in the case of Barcelona were results obtained both from the city itself and from the corresponding metropolitan institution. When possible, aggregate results for cities combined with their areas are presented. In the case of Stockholm, due to the lack of systematisation of the information, the quantitative data refer mostly to the Metropolitan Area of Stockholm (the Stockholm County Council), while the qualitative comments were submitted by the city of Stockholm. In spite of these structural differences amongst the institutions, which of course also need to be understood within the differing contexts and the particular circumstances of each of the countries, this variety of participants offers an overarching view of the current state of affairs in metropolitan areas. The following institutions took part in the Survey:

- Metropolitan Area of FrankfurtRheinMain (*Metropolregion FrankfurtRheinMain*)
- Metropolitan Area of Hannover (*Region Hannover*)
- Metropolitan Area of Lisbon (*Área Metropolitana de Lisboa*)
- Barcelona Metropolitan Area (*Àrea Metropolitana de Barcelona*)
- City of Barcelona (*Ajuntament de Barcelona*)
- Metropolitan Area of Greater Manchester (*Manchester City Council, New Economy – Greater Manchester*)
- Metropolitan Area of Liverpool (*Liverpool City Region*)
- Metropolitan Area of Lyon (*Métropole de Lyon*)
- City of Paris (*Mairie de Paris*)
- City of Amsterdam (*Amsterdam Gemeenteraad*)
- City of Stockholm (*Stockholms Stad, Stockholm Region*)
- City of Turin (*Città di Torino*)
- Metropolitan Area of Milan (*Città Metropolitana di Milano*)
- City of Vienna (*Stadt Wien*)
- City of Budapest (*Budapest Főváros*)

The Study focuses its interest on the period 2007-2013 and on the current period 2014-2020. The ongoing period is still in its infancy, and the initial programmes and projects are only now seeing the light of day, so the results should be taken as somewhat tentative. Bearing this limitation in mind, the preliminary data for this current period was nonetheless deemed worthy of inclusion, as it provides some indications as to how the institutions are adapting themselves to the new regulations.

This Study analyses the European Regional Development Fund (ERDF) and the European Social Fund (ESF). The justification for this choice is that these funds (unlike the Cohesion Fund) reach all EU regions, and that they make up both the great bulk of EU funding and the majority of total EU spending, which makes them representative of EU funds taken as a whole. European Territorial Cooperation has been included for three reasons: firstly, it contributes to the achievement of the goals of the ERDF and ESF Regulations (and is one of the two goals of the Cohesion Policy connected with Investment for Growth and Jobs); secondly, its budget is composed of ERDF funds; and finally, despite the meagre scope of the institution's budget in comparison to the other two funding sources (its projects are usually smaller), it generally garners an excellent reception from the beneficiaries.

The results of the Survey have been contextualised and compared to the possibilities offered by the European Union through a quantitative and qualitative analysis of EU legislation and policies.

It must be noted that the lack of systematisation of the information within most of the institutions is indicative of a structural problem. Indeed, in most cases, the data relating to each project co-financed with EU Structural Funds are not housed in a single department or unit of the institution, but instead they are kept within the department that carried out the project. In addition, the lack of specific information resulted in the need to present estimated figures, especially in the case of European Territorial Cooperation.

A special acknowledgement is due to all those who took the time to participate in the Survey and thus contributed to the results of this Study: Reinhard

Henke (Metropolregion FrankfurtRheinMain), Andreas Listing (Region Hannover), Sofia Lona Cid (Área Metropolitana de Lisboa), Bonaventura Sala (Ajuntament de Barcelona), Xavier Tiana and Carlota Rosés (Àrea Metropolitana de Barcelona), Mark Duncan and Susan Parkinson (Manchester City Council), James Sharples (Liverpool City Region), Emmanuelle Willman (Métropole de Lyon), Inès Belus (Mairie de Paris), Gerard den Boer (Amsterdam Gemeenteraad), Anna Hörlén (Stockholms Stad), as well as Gustaf Lundgren (Stockholm Region), Beatrice Greco (Città di Torino), Carmine Pacente (Città Metropolitana di Milano), Daniela Frohofer (Stadt Wien) and Dóra Kókai (Budapest Főváros).



4. An approach to the management of EU Structural Funds by European Metropolitan Areas and Cities: Survey results

This Section presents the results of the Survey and collects the information submitted by each participating metropolitan area and city. The institutions are presented by country in order to provide an overview of each distinct national reality as well.

Germany: Metropolitan Area of FrankfurtRheinMain, Metropolitan Area of Hannover

Portugal: Metropolitan Area of Lisbon

Spain: Barcelona Metropolitan Area, City of Barcelona

United Kingdom: Metropolitan Area of Greater Manchester, Metropolitan Area of Liverpool

France: Metropolitan Area of Lyon, City of Paris

The Netherlands: City of Amsterdam

Sweden: City of Stockholm, Stockholm Region

Italy: City of Turin, Metropolitan Area of Milan

Austria: City of Vienna

Hungary: City of Budapest

The section on each institution begins with a presentation of the funds (ERDF, ESF and ETC funds) that the institution managed during the period 2007-2013, be it as a Managing Authority, through a Global Grant (that is, as an Intermediate Body) or as a beneficiary. If the institution was unable to compile the information, there is a specific indication that there was “no data available”. In contrast, if no information is provided with respect to one or more given funds and there is no accompanying statement highlighting the lack of data, this means that the institution did not receive any amount from this fund, according to the Survey responses.

A pie chart shows the amount managed by the metropolitan area as a proportion of the amounts allocated to the country as a whole by the European Union.

While we are still only at the beginning of the current period 2014-2020, the information provided for this period is especially revealing in what it tells us about the role of the institutions acting as Managing Authorities or Intermediate Bodies (that is, beneficiaries of a Global Grant), since all the institutions who are or will soon be carrying out this task have already been named. In contrast, most of the beneficiaries are still waiting for the opening of the first calls for proposals or the approval of the projects they have submitted. For this reason, only two institutions have confirmed data related to ongoing ETC projects in the current period.

A brief reference to the most common project fields (environment, transport, social inclusion, etc.) has also been included, following the scheme of objectives and priorities set by the European Union for the two periods. A table summarises all the information mentioned above.

The following paragraph details the institution’s participation in the various stages of the management of EU Structural Funds (preparation, implementation, monitoring and evaluation) and the evolution from one programming period to another. Finally, the subjective point of view of the institutions involved has been included in order to show the opportunities and problems that arise in this process, as well as the institution’s degree of satisfaction with the national and regional framework in which it operates.

Germany

Metropolitan Area of FrankfurtRheinMain (Hesse, Rhine Palatinate and Bavaria)



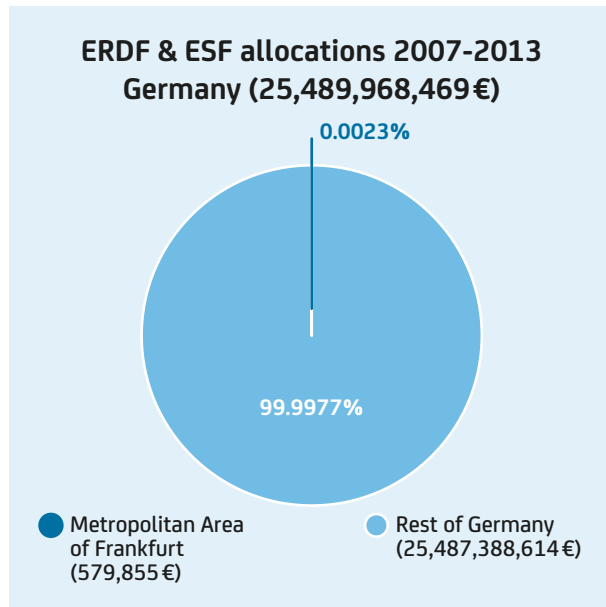
The Regionalverband FrankfurtRheinMain (Regional Authority of FrankfurtRheinMain) is the planning authority for the combined territories of the City of Frankfurt am Main and 74 other surrounding towns and cities (2,248,258 inhabitants). Its core instrument is the statutory Regional Land Use Plan, covering 2 458 km². The Regionalverband is also the cooperation body and development agency for the much larger (14,755 km²) Metropolitan Region FrankfurtRheinMain, extending far into the adjacent Länder, Bavaria and Rhineland-Palatinate.

For the period 2007-2013, the Metropolitan Area of Frankfurt was partner of two projects co-funded by the programme Interreg IVB North-West Europe in the fields of transport, economy and environment. These two projects represented a budget of 579,855.13 € for the institution.

The graph shows the dimension of the institution's involvement in the management of EU Structural Funds in the period 2007-2013 as a proportion of the total amount allocated to the country as a whole.

In 2014-2020, the institution has again submitted a project in the framework of the Interreg North-West Europe programme, which is under assessment. The main fields for which the institution received EU co-financing during the previous period were transport, economy and the environment.

The Metropolitan Area participated in the public consultation process undertaken by the Managing Authorities of the Interreg North-West Europe programme and the regional ERDF Operational



Graphic 1: ERDF and ESF allocations 2007-2013. Metropolitan Area of Frankfurt vs. Germany

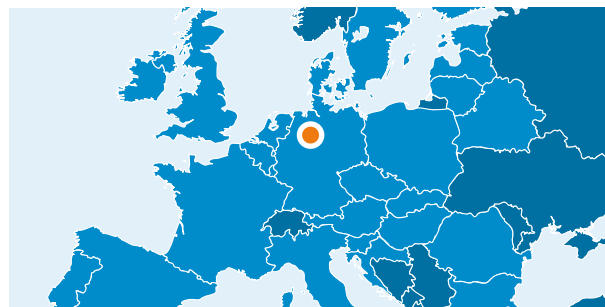
Programmes in the preparation stages of the period 2007-2013. However, representatives of the institution do not believe that this kind of participation was enough, since the consultation process was not sufficiently inclusive, and they say that the results that emerged from these consultations should have been given greater weight. They believe that the role and functions of non-NUTS regions such as functional areas and administrative areas crossing NUTS entity borders should be promoted. For the current period, the institution underlines as positive the administrative simplification of the Interreg North-West Europe application process, which now consists of two stages, making the preparation phase easier.

	Programme	Role	Amount €	Fields
2007-2013	ETC	Beneficiary	579,855.13	transport, economy, environment

Table 1: Metropolitan Area of Frankfurt. Programmes, role, amount of funding managed and priority fields

Germany

Metropolitan Area of Hannover (Lower Saxony)



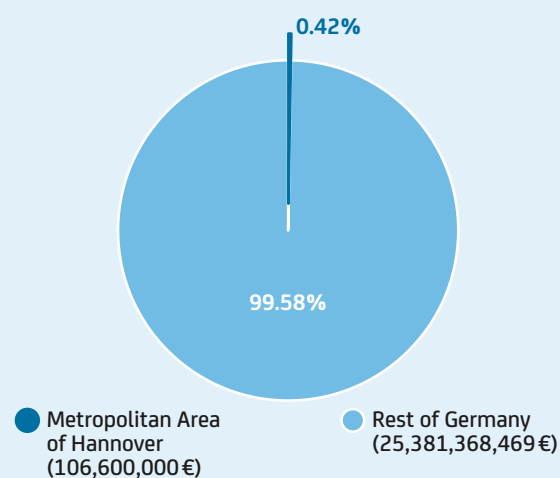
The Metropolitan Area of Hannover (Region Hannover, with a population of 1,128,037 inhabitants) was created in 2001 via an agreement between the county of Hannover and the association of municipalities Grossraum Hannover, and it encompasses 21 municipalities in the German region of Lower Saxony.

During the period 2007-2013, the Metropolitan Area benefited, within the ERDF regional OP, from a 5 M€ Global Grant to manage several projects, and it received an additional 91.6 M€ as a beneficiary. In the field of the ESF, the institution managed projects with a total budget of 10 M€ (estimate made by the institution).

The graph shows the dimension of the institution's involvement in the management of EU Structural Funds in the period 2007-2013 as a proportion of the total amount allocated to the country as a whole.

In the current period of 2014-2020, the federal region of Lower Saxony has a so-called Multifondsprogramm, which comprises both ERDF and ESF funds: 691 M€ for regional development and 288 M€ for social development, and Metropolitan Area of Hannover will participate in this program as a beneficiary once the first calls for proposals are open. Information regarding European Territorial Cooperation is not available for the previous period, while for the current one no project applications have been submitted yet.

ERDF & ESF allocations 2007-2013 Germany (25,489,968,469 €)



Graphic 2: ERDF and ESF allocations 2007-2013. Metropolitan Area of Hannover vs. Germany

In the period 2007-2013, the Metropolitan Area of Hannover carried out projects in several fields: economy, business, environment, risk prevention, R&TD and culture. Among ERDF priorities, there was with a particular focus on sustainable urban development, while employment and social inclusion took centre stage as a reflection of ESF priorities. As has been mentioned, no projects have been submitted yet within the current framework; however, the priority areas of the regional Multifondsprogramm will also be economy (SMEs, employment), the environment and low-carbon economy, R&TD and social inclusion, as well as on education.

	Programme	Role	Amount €	Fields
2007-2013	ERDF	Global Grant + Beneficiary	96,600,000.00	economy & business, environment, risk prevention, culture, R&TD, SUD
	ESF	Beneficiary	10,000,000.00	employment, social inclusion

Table 2: Metropolitan Area of Hannover. Programmes, role, amount of funding managed and priority fields

The participation of the Metropolitan Area of Hannover in the management of EU Structural Funds for the previous period was limited to the lobbying efforts carried out through the regional association of cities and counties and the meetings held with the Managing Authorities. The metro area is now playing a bigger role in the programming of EU Structural Funds, as the institution has not only participated in special groups tasked with setting priorities, but more importantly was invited by the Managing Authority to become a member of the Government monitoring and steering committee of the federal state Lower Saxony. Despite this considerable expansion of the region's participation, they report that the improvements over the previous period are more impressive on paper than in reality, as the decision-making power is still in the hands of the federal state.

Portugal

Metropolitan Area of Lisbon (Lisbon)



The Metropolitan Area of Lisbon (2,831,814 inhabitants) is the biggest metro area in Portugal. It ties together 18 municipalities or concelhos of the Grande Lisboa and the Península de Setúbal (the two sub regions that make up the Lisbon region).

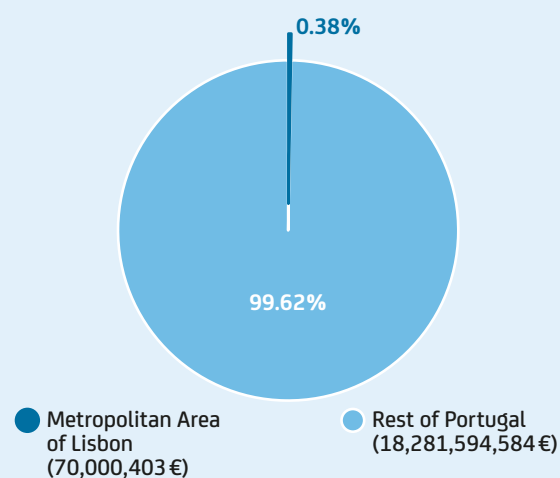
The institution benefited from a specific allocation agreed with the State for the management of the ERDF in 2007-2013 (some 69 M€) and was, in addition, beneficiary of two projects in the fields of ICT and education, while with regard to the ESF it acted as a beneficiary under regular competitive conditions.

The graph shows the dimension of the institution's involvement in the management of EU Structural Funds in the period 2007-2013 as a proportion of the total amount allocated to the country as a whole.

In the current period, the Metropolitan Area will be awarded a Global Grant for the management of the ERDF, ESF and Cohesion Fund; although it is currently under discussion, it is foreseen that the final figures will be 51 M€ ERDF, 37 M€ ESF and 1.3 M€ CF.

As for the Metropolitan Area's priorities in its investment of the resources, in the previous period much of the funds allocated went to the creation of school infrastructure and the administrative modernisation of local governments, while about

ERDF & ESF allocations 2007-2013 Portugal (18,351,594,987 €)



Graphic 3: ERDF and ESF allocations 2007-2013. Metropolitan Area of Lisbon vs. Portugal

300,000 € was spent on the reduction of the school dropout rate, 400.000 € on the development of ICT and, finally, 100.000 € to increase capacity building in public authorities of the local governments. As the current period is still taking shape, as mentioned above, it is only possible to provide a provisional approximation of the fields: education and good governance are still priorities (not ICT), along with SMEs, low-carbon economy, environment and risk prevention, employment and social inclusion.

	Programme	Role	Amount €	Fields
2007-2013	ERDF	Beneficiary	69,731,854.75	ICT, education, good governance
	ESF	Beneficiary	128,961.45	increase of capacity building in public authorities
	ETC	Beneficiary	139,586.88	environment
2014-2020	ERDF + ESF	Global Grant	88,000,000 (51M ERDF + 37M ESF + 1.3M CF)	SMEs, low-carbon economy, risk prevention, environment, employment, social inclusion, education, good governance

Table 3: Metropolitan Area of Lisbon. Programmes, role, amount of funding managed and priority fields

For the period 2007-2013, the Metropolitan Area participated in the national public consultation process carried out in the programming stage of the Structural Funds, in particular expressing opinions on the eligibility criteria for proposals and other purely administrative procedures (the institution assessed project applications), and it was part of the Monitoring Committee of the regional Operational Programme PORLISBOA-QREN. However, priorities for the use of regional funds were established, according to the institution, by the central Government without consulting the interested parties. For the current period, local concerns were taken into account, in a process whereby all metropolitan areas and urban communities were called upon to programme and implement territorial strategies touching on a wide range of issues. These areas ranged from plans for more strategic use of land resources, to sustainable energy, the promotion of a more inclusive society and the efficiency and rationalisation of inter-community services, all with the intention of forging stronger partnerships between the Metropolitan Area and other actors involved in development and territorial cohesion. In fact, the Integrated Territorial Investment (Integrated Territorial Development Strategy) specific to the Metropolitan Area, and its strategic priorities, guidelines, etc., were agreed upon with the Government and are intended to lay the groundwork for Community-Led Local Development initiatives and Territorial Pacts.

Spain

Barcelona Metropolitan Area and City of Barcelona (Catalonia)



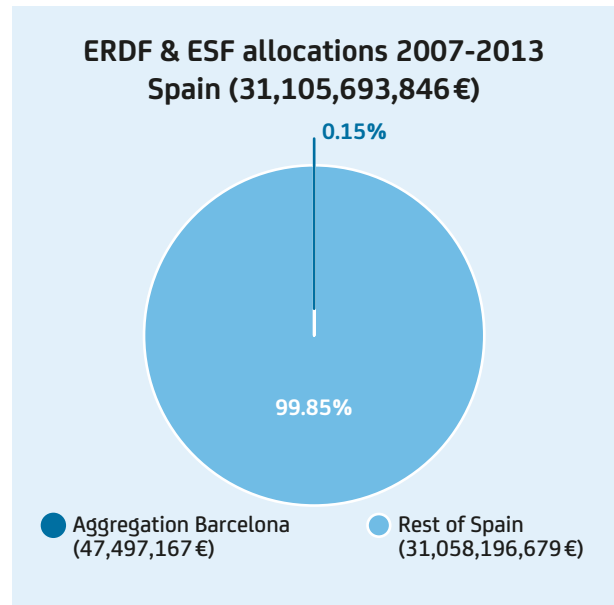
The responses to the Survey by both the Barcelona Metropolitan Area and the City of Barcelona (within the autonomous community of Catalonia) offer an enlightening view of the Barcelona region's lack of influence in terms of EU Structural Fund management.

The Barcelona Metropolitan Area (3,239,337 inhabitants) was created under a 2010 Law with the aim of uniting the three previously existing metropolitan institutions, as well as rationalising and simplifying the governance of the metropolitan territory. The institution covers 36 municipalities, of which Barcelona (1,611,822 inhabitants) is the capital.

In the period 2007-2013, the Metropolitan Area carried out three projects with ERDF funding totalling 1,064,386.64 €, as well as five projects with ESF funding of 1,960,336.36€ and five ETC projects for which the EU co-financing allocated to the institution was 1,330,429€.

The city of Barcelona¹ presents similar results. In the period 2007-2013, Barcelona participated in the ERDF as an Intermediate Body. As such, it was allocated funds totalling 8,416,039.25 € for the purposes of developing a Sustainable Urban Development strategy (URBAN initiative, part of the Catalonia ERDF OP), and the programme had a great impact on the city. In addition, it managed two projects as a beneficiary within the framework of the same Operational Programme and received 12,736,442.19€.

As regards the ESF, the city managed three projects within the ESF OP of Catalonia and another one within the national ESF OP on Adaptability and Employment, which together allowed the city to manage 14,962,834.14€. The three interregional



Graphic 4: ERDF and ESF allocations 2007-2013. Aggregation of Barcelona vs. Spain

projects (ENPI CBC MED, URBACT and Interreg IVC) and two transnational projects (MED), in which the city acted as a leader (ENPI and URBACT) and as a partner (Interreg IVC and MED), complete the participation of the city in the EU Structural Funds for the period 2007-2013.

Even though the Cohesion Fund is not among the funds analysed in this study, it bears mentioning that in the period 2007-2013 Barcelona received 68,125,045.41 € (more than three times the contribution of the ERDF OP for Catalonia). Barcelona acted not only as a beneficiary but also as an Intermediate Body in the management of the Cohesion Fund, taking part both in the selection of operations and monitoring of the Operational Programme.

The graph shows the dimension of the involvement of both the metro area and the city of Barcelona in the management of EU Structural Funds in the

¹ Considered, for the purposes of this Study, as a legal person, not including municipal companies, trusts, corporations, foundations, etc.

period 2007-2013 as a proportion of the total amount allocated to the country as a whole.

Since the 2014-2020 regional ERDF and ESF Operational Programmes in Catalonia have only recently been approved, no projects are underway for either institution. However, the biggest milestone in this new period has been the signature by the city of Barcelona of an agreement with the Government of Catalonia for the management of 40 M€ under the Catalonia ERDF OP. Regarding ETC, the Barcelona Metropolitan Area is partner in a project approved under the URBACT programme.

Most of the projects carried out by the Barcelona Metropolitan Area have been implemented in the field of environment: all projects co-financed by the ERDF in the previous period tackled environmental issues and risk prevention, as did the ETC projects of both the previous and the current period (environment and energy). The projects co-financed by the ESF in the previous period also concerned environmental issues, but focused mostly on social inclusion and good governance (maintenance and improvement of natural areas by unemployed people).

On the other hand, in the case of the city, the projects co-financed with ERDF funds during the period 2007-2013 focused on sustainable urban development, R&TD and business competitiveness, while the ESF co-financing was devoted to

employment and social innovation (quality and productivity at work and social inclusion). Environment, SMEs and energy were the priorities of the ETC projects carried out. Now, the 40 M€ agreement (plus the amount of the possible projects co-financed under regular competition) will allow the city to face its weaknesses and threats in more or less the same fields: sustainable urban development, R&TD, SMEs, as well as environment and ICT.

The Barcelona Metropolitan Area did not play any role whatsoever in the different programming stages of the regional Operational Programmes in the period 2007-2013. Later, in the period 2014-2020, the institution was called upon to participate in two meetings with the regional Managing Authority in the field of housing, and was consulted, albeit in a very informal way, with regard to public transportation and mobility. The institution is of the opinion that in Catalonia, as well as in Spain, there is no consideration given to big cities and metropolitan areas with respect to EU Structural Funds. The previous ERDF OP of the region gave a prominent role to the city of Barcelona through a specific call for proposals and to the provincial governments, which co-managed the implementation of the local projects in Axis 1. The secondary role of the metro area, according to the institution, stems from a lack of political will and from inefficient cooperation in the programming process of EU funding.

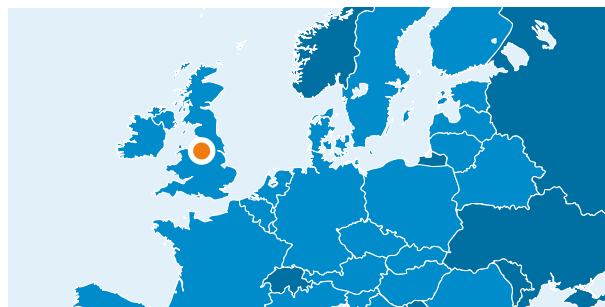
	Programme	Barcelona Metropolitan Area			City of Barcelona			AMB and City of Barcelona Total
		Role	Amount €	Fields	Role	Amount €	Fields	Total Amount €
2007-2013	ERDF	Beneficiary	1,064,386.64	environment, risk prevention	Beneficiary and Intermediate Body	21,152,481.44	SUD, R&TD, business	22,216,868.08
	ESF	Beneficiary	1,960,336.36	social inclusion, good governance	Beneficiary	14,962,834.14	employment, quality & productivity, social inclusion	16,923,170.50
	ETC	Beneficiary	1,330,429.00	environment, energy	Beneficiary	7,026,669.75	environment, SMEs, energy	8,357,098.75
2014-2020	ERDF				Beneficiary	40,000,000.00	R&TD, ICT, SMEs, environment, SUD	40,000,000.00
	ETC	Beneficiary	63,000.00	environment				63,000.00

Table 4: Barcelona. Programmes, role, amount of funding managed and priority fields

Concerning the city of Barcelona, in the previous period the institution did not participate in the preparation or management of the ERDF and ESF Operational Programmes (only the associations of local governments participated directly). However, Barcelona was an Intermediate Body in the implementation of the Cohesion and ERDF OPs, and the city participated in the selection of operations affecting the municipality and the monitoring of the OPs. In the current period, the city was called on to participate in the first stages of the preparation and definition of the regional smart specialisation strategy called RIS3CAT. The institution noted in several of its responses that direct communication channels with the European Commission are weak.

United Kingdom

Metropolitan Area of Greater Manchester (North West England)

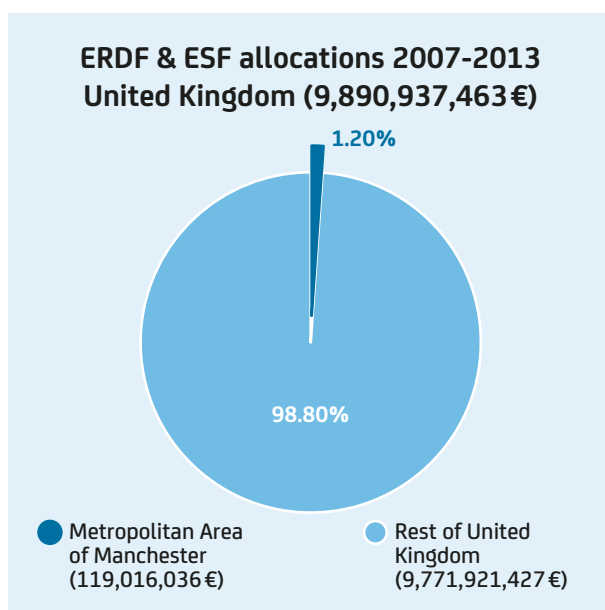


The Metropolitan Area of Greater Manchester (Greater Manchester Combined Authority), which covers and represents a population of 2,732,854 inhabitants in the region of North West England, has only been in place for 4 years. However, the 10 municipalities involved have worked together on many projects, with one municipality acting as the lead authority on behalf of all of them.

To be precise, during the previous period the cities of Greater Manchester participated in 26 projects co-financed by the ERDF, which together amounted to around 117M€. Worthy of special mention is the ERDF Technical Assistance project, led by the Manchester City Council, which aimed to fully explore and access opportunities presented by ERDF funding.

On the other hand, the institution was not involved in the ESF since this fund is managed at the regional level (England). Regarding ETC, two Interreg North-West Europe and four Interreg IVC projects offered the region funding of around 2 M€ (this estimate is based on the division of the total ERDF co-financing of each project by the number of project partners).

The graph shows the dimension of the institution's involvement in the management of EU Structural Funds in the period 2007-2013 as a proportion of the total amount allocated to the country as a whole.



Graphic 5: ERDF and ESF allocations 2007-2013. Metropolitan Area of Greater Manchester vs. UK

For the period 2014-2020 the Metropolitan Area of Greater Manchester is working under the auspices of a Local Enterprise Partnership Investment Plan the incorporates both ERDF and ESF priorities. In order to effectively address these priorities, the institution (together with all public and private stakeholders involved in the Local Enterprise Partnership for the territory) is working with the national Managing Authority (the Department for Communities and Local Government). The Metropolitan Area of Greater

	Programme	Role	Amount €	Fields
2007-2013	ERDF	Beneficiary	117,000,000.00	R&TD, technical assistance, transport, culture, economy & business, environment, risk prevention
	ETC	Beneficiary	2,016,035.55	environment, transport, employment, R&TD, energy
2014-2020	ERDF + ESF	Beneficiary	415,000,000 (228 M + 187 M)	R&TD, SMEs, low-carbon economy, environment, employment, social inclusion, education, SUD

Table 5: Metropolitan Area of Greater Manchester. Programmes, role, amount of funding managed and priority fields

Manchester will benefit from a total allocation of 415 M€ for the current period: a 228 M€ contribution from the ERDF, complemented by 187 M€ coming from the ESF.

As for the ESF, the Metropolitan Area currently works with the national Managing Authority (the Department for Work and Pensions) and co-financing organisations such as the Skills Funding Agency and the Big Lottery to ensure an adequate development and commission of the programmes of local strategic importance. In addition, according to the information provided by the institution, the Managing Authority has asked it to apply to become a co-financing organisation, which will grant it greater control over the commissioning, decision making and performance management of the ESF allocation.

The chief fields of activity co-financed by the ERDF (both at the national level and through ETC projects) throughout the two programming periods have been research and technological development, economy and business, environment and energy, and employment.

The Metropolitan Area of Greater Manchester is the only participant in the Survey that has applied financial instruments in the current period to manage the funds above.

With regard to participation, there has been a noteworthy evolution in the UK in recent years. In the recently completed period, the Metropolitan Area of Greater Manchester participated in the preparation and implementation of the ERDF regional OP, both individually with the Managing Authorities and collectively (as part of a Metropolitan Cities consortium and with a wider range of local authorities). In the ESF national OP there was no involvement. Nevertheless, their inputs to the ERDF consultations and within the Management Committee were, as the institution states, largely disregarded.

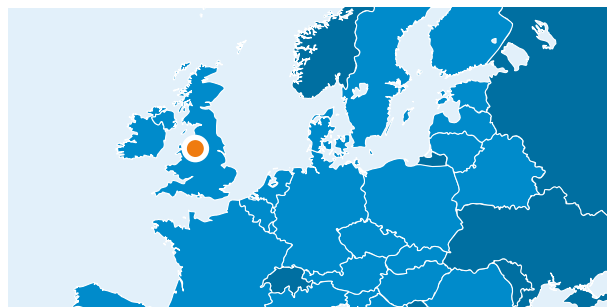
However, following the economic crisis and after a change in the national Government which led to changes in regional bodies managing the OP, local governments were given a far greater and more strategic role in the implementation, monitoring

and evaluation stages, which they continue to play in the current period 2014-2020.

While there exists some confusion around the slow (or non-existent) progress in the devolution of powers to the metropolitan areas with respect to the management of EU Structural Funds, the Metropolitan Area of Greater Manchester expects the strong political will at the national level ultimately to translate into the devolution of these powers.

United Kingdom

Metropolitan Area of Liverpool (North West England)



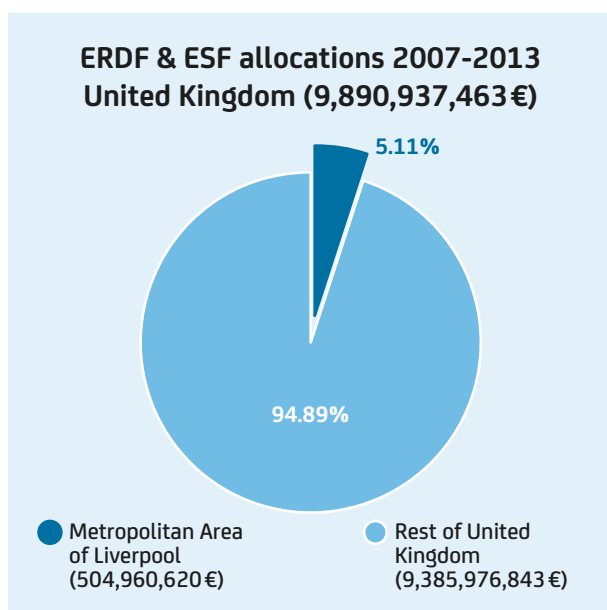
The Metropolitan Area of Liverpool, or Liverpool City Region Combined Authority, was created on 1 April 2014 by the six local governments involved and the Local Enterprise Partnership, and it represents 1,517,467 inhabitants of the region of North West England.

In the period 2007-2013, the Metropolitan Area had its own ringfence of 308 M€ within the North-West England ERDF OP, and shared a ringfence of 386 M€ with South Yorkshire within the England ESF OP¹. It was also involved in 10 ETC projects (6 Interreg North-West Europe and 4 Atlantic Area projects; please note that the total amount is an approximation calculated from the information submitted by the institution).

The graph shows the dimension of the institution's involvement in the management of EU Structural Funds in the period 2007-2013 as a proportion of the total amount allocated to the country as a whole.

For the period 2014-2020, the ERDF ringfence is of 130.56 M€, and that of the ESF 90.34 M€ (this time for Metropolitan Area of Liverpool alone). There is

1 For the purposes of this Study, a 50-50 division was considered



Graphic 6: ERDF and ESF allocations 2007-2013. Metropolitan Area of Liverpool vs. UK

a reason for the marked decrease in the ERDF and ESF allocation from the last to the current period. With the enlargement of the EU, the Merseyside region underwent a change in regional status from an Objective 1 to a Phasing-in region. For the current period, as will be mentioned below, although the region was designated a Transition region status, this did not bring with it any extra funding for the region.

	Programme	Role	Amount €	Fields
2007-2013	ERDF	Beneficiary	308,000,000.00	R&TD, ICT, energy, transport, employment
	ESF	Beneficiary	193,000,000.00	employment, quality & productivity
	ETC	Beneficiary	3,960,620.00	risk management, R&TD, social inclusion, transport, urban
2014-2020	ERDF	Beneficiary	130,560,000.00	R&TD, ICT, SMEs, low-carbon economy, environment, transport, social inclusion, SUD
	ESF	Beneficiary	90,340,000.00	social inclusion, employment, education, SUD

Table 6: Metropolitan Area of Liverpool. Programmes, role, amount of funding managed and priority fields

In the previous period, according to the North-West England ERDF OP and the ESF England OP, the Metropolitan Area of Liverpool had as eligible priorities business, R&TD, sustainable growth, employment and technical assistance (ERDF), and employment, training and technical assistance (ESF). Now, the priorities have been adapted to reflect current needs: R&TD, ICT, SMEs, low-carbon economy, risk management and environment, transport and social inclusion (ERDF) and employment, social inclusion and education (ESF), with a special focus on sustainable urban development (10 % of the ERDF activity of the Metropolitan Area of Liverpool will be earmarked for this priority).

Concerning the participation of the Liverpool City Region in the period 2007-2013, there was a dilution of their control over the budget given that the management of the OP was done at a regional (North-West England, ERDF) or national (England, ESF) level. Additionally, a change in the national Government led to a change in the management of the OP and to a loss of experienced personnel. This brought about other setbacks, the institution adds, such as delays in delivery. In their opinion, these problems would not have arisen had the management activities been conducted at the metropolitan level.

In the period 2014-2020, the Metropolitan Area of Liverpool had the chance to set by itself the allocation strategy of the ERDF and ESF ringfence, which was complemented by strong local inputs into the drafting of calls for proposals and approvals of bids. Nevertheless, while it is true that 10 % of the Metropolitan Area of Liverpool's ERDF activity is classed as Sustainable Urban Development (exceeding the EU-mandated 5 %), and that this gives the institution more control over the expenditures of this part of the programme, the institution points to two major failings in the system. First, the extra money brought to the UK ESIF thanks to the designation of the area represented by the institution as a Transition region was not allocated to Merseyside, but to other regions. Secondly, the preparation and management of the OP at a regional or national level (which had already happened in the previous period) does not allow local needs to be adequately addressed.

France

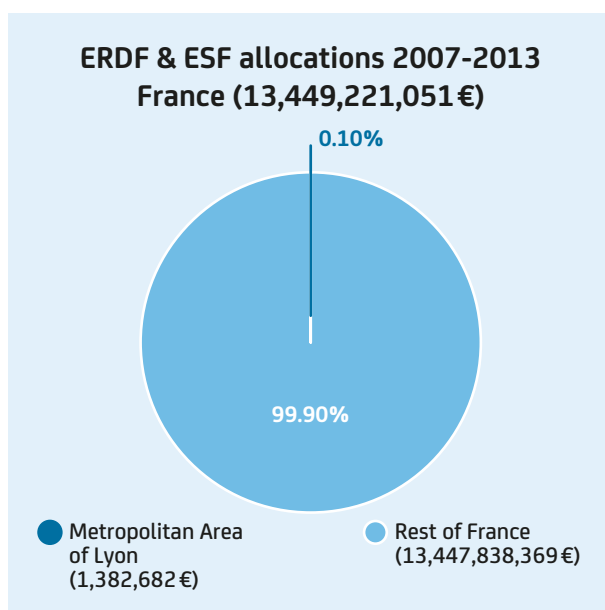
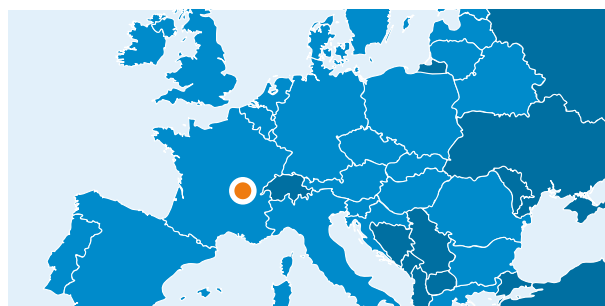
Metropolitan Area of Lyon (Auvergne-Rhône-Alpes)

The Metropolitan Area of Lyon (called Métropole de Lyon or Grand Lyon), has a population of 1,336,994 inhabitants. It was founded on 1 January 2015 as an administrative unit merging the Communauté urbaine de Lyon and the Conseil général du Rhône, and it brings together 59 municipalities of the region Auvergne-Rhône-Alpes (known prior to 1 January 2016 as the region Rhône-Alpes).

For the period 2007-2013, the Rhône-Alpes regional OP included an Integrated Urban Programme aimed at urban development, a strategy that is similar to the Integrated Territorial Investments proposed for the current period. This Programme Urbain Intégré had a budget of 10 M€, 9 M€ of which came from the ERDF and 1 M€ from the ESF. While the Programme was addressed to local structures, the metropolitan institution received a specific amount of 1 M€. Four projects in the fields of entrepreneurship and SMEs and environment round out the rest of the institution's participation in the EU Structural Funds 2007-2013 (the amounts indicated for the ETC projects are approximate).

The graph shows the dimensions of the institution's involvement in the management of EU Structural Funds in the period 2007-2013 as a proportion of the total amount allocated to the country as a whole.

The above-mentioned Integrated Urban Programme has evolved into an ITI in the



Graphic 7: ERDF and ESF allocations 2007-2013. Metropolitan Area of Lyon vs. France

current period. It has a budget of 8 M€, of which 1.4 M€ have been specifically awarded to the Metropolitan Area for the development of the SMEs and entrepreneurship (the institution plans to build infrastructures to foster the development of these priorities). The rest, an amount of 1.5 M€ for ICT and of 5.1 M€ for the transition to a low-carbon economy, will be distributed amongst the Metropolitan Area and the municipalities (for the purposes of this Study, these last two amounts have been attributed in their entirety to the metro area). While the regions are playing a much

	Programme	Role	Amount €	Fields
2007-2013	ERDF + ESF	Beneficiary	1,000,000.00	environment, transport, social inclusion, employment, SUD
	ETC	Beneficiary	382,682.15	SMEs, environment
2014-2020	ERDF	Beneficiary	8,000,000.00	ICT, SMEs, low-carbon economy
	ESF	Global Grant	21,000,000.00	social inclusion

Table 7: Metropolitan Area of Lyon. Programmes, role, amount of funding managed and priority fields

greater role in this period (they are now the ERDF Managing Authorities), the ESF continues to be managed at a national level, but changes in the system have resulted in the allocation of a Global Grant of 21 M€ to the Metropolitan Area for the management of social inclusion.

Priorities have remained practically unchanged over the two analysed periods (environment, transport, sustainable use of resources, SMEs), but the major development has taken place in the field of social inclusion where, as mentioned above, the institution will invest 21 M€ throughout the metropolitan territory.

During the period 2007-2013, the Metropolitan Area of Lyon did not participate in the regional governance for the ERDF or ESF Operational Programmes. According to the data submitted, the institution was only consulted 2-3 times a year, and their opinions and priorities were disregarded by the region (ERDF) and the State (ESF). In their opinion, the national and regional context did not allow for sufficient participation by local governments in the programming and management of EU Structural Funds. In the current period, the Metropolitan Area has become a full member of the regional governance for both funds, and it taken part in the selection of thematic objectives for the regional ERDF OP and participated in the monthly follow-up meetings. While it may be true that the region and the State still have the last word on decisions, the management of an ITI (ERDF) and a Global Grant (ESF) have granted the institution more power, which explains the professed belief that the changes in the current period have been for the better.

France

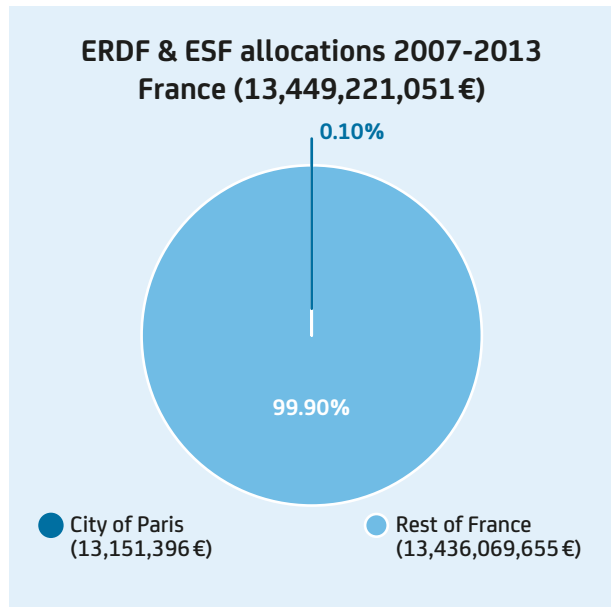
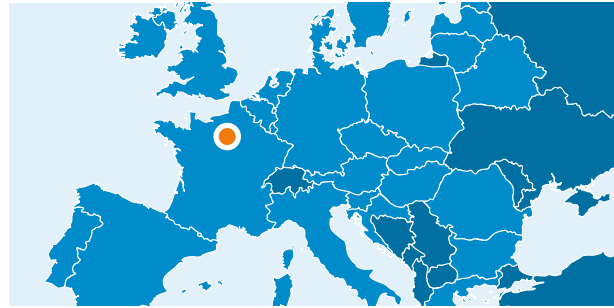
City of Paris (Île-de-France)

With its 2,241,346 inhabitants, Paris (region Île-de-France) did not manage or receive any ERDF funds from the national OP during the period 2007-2013. With regard to the ESF, the institution received an allocation of 13 M€ through a bilateral agreement, designated for investment in the ESF priority of social inclusion. The institution participated in one ETC project in the field of energy and environment.

The graph shows the dimensions of the institution's involvement in the management of EU Structural Funds in the period 2007-2013 as a proportion of the total amount allocated to the country as a whole. The allocations to Paris are nearly invisible, much as with the case of Lyon.

The above-mentioned bilateral agreement with regard to the ESF fund has in the current period evolved into a Global Grant of 25 M€, also specifically set aside for investment in the promotion of social inclusion. In this period, Paris will benefit from an Integrated Territorial Investment co-financed by the ERDF and ESF funds for a total amount of 12.2 M€ (managed by the Ile-de-France region). This Integrated Territorial Investment will focus on the poorest areas of the city, along with other adjacent municipalities: Paris and the Est Ensemble territory made a crossed-application to the call of interest through a political and technical cooperation and a technical cooperation between the stakeholders.

Thanks to a recently approved ETC project, Paris will also receive 6,100€ to share and implement good practices in the field of social innovation.



Graphic 8: ERDF and ESF allocations 2007-2013. City of Paris vs. France

While the city of Paris did not have the opportunity to be actively involved in the different management stages of EU Structural Funds during the last period, the institution held several meetings aimed at the preparation of the Operational Programmes for the current period. In addition, the institution is a member of the regional committee for programming and monitoring, through which it has direct relations with the Managing Authority and has been recognised as a key player in EU affairs.

	Programme	Role	Amount €	Fields
2007-2013	ESF	Beneficiary	13,000,000.00	social inclusion
	ETC	Beneficiary	151,395.93	environment, energy
2014-2020	ESF	Global Grant	25,000,000.00	social inclusion
	ETC	Beneficiary	6,100.00	social innovation

Table 8: City of Paris. Programmes, role, amount of funding managed and priority fields

The Netherlands

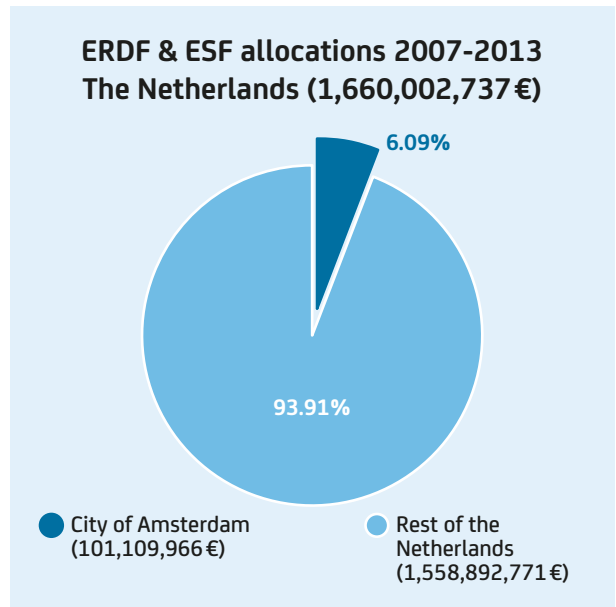
City of Amsterdam (Western Netherlands)



The city of Amsterdam (832,563 inhabitants) belongs to the region of the Western Netherlands.

The institution has acted as an Intermediate Body for both periods: in 2007-2013, it received 68M€ from the ERDF, while in the current period it has received 52M€ from the ERDF and 10 M€ from the ESF. In the previous period, this 68 M€ from the ERDF was complemented by 31.86 M€ from the ESF and an estimated 1.2 M€ from six ETC projects in which the institution acted as a beneficiary.

The graph shows the dimensions of the institution’s involvement in the management of EU Structural Funds in the period 2007-2013 as a proportion of the total amount allocated to the country as a whole.



Graphic 9: ERDF and ESF allocations 2007-2013. City of Amsterdam vs. The Netherlands

In this period, the ERDF and ESF Managing Authorities, together with the European Commission, have agreed to pool together ERDF and ESF funds under the umbrella of the Kansen voor West 2 programme. This initiative brings together the four provinces of Noord-Holland, Zuid-Holland, Utrecht and Flevoland, as well as the four main cities of Amsterdam, The Hague, Rotterdam and Utrecht (in the previous period this association of provinces was already operational and worked with the ERDF).

Apart from the above-mentioned 52 M€ ERDF and 10 M€ ESF funds managed through a Global Grant, the institution will benefit from 35 M€ from the ESF national Operational Programme.

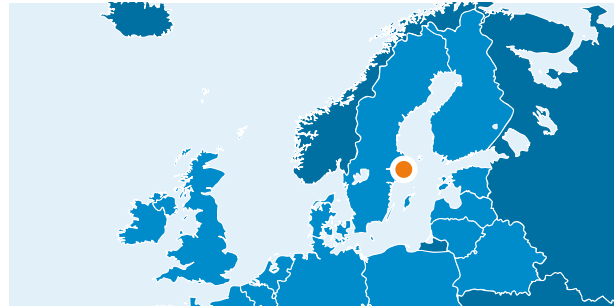
Apart from directly managing the above-mentioned ERDF sums in both periods (and the ESF in the current period), as well as the ITI, the city of Amsterdam was involved to a large extent in the drafting of ERDF and ESF Operational Programmes for the two programming periods, the institution reports. This broad range of possibilities has led the Council to conclude that their participation in the EU affairs, especially in the management of EU Structural Funds within the Netherlands, is very satisfactory.

	Programme	Role	Amount €	Fields
2007-2013	ERDF	Global Grant	68,000,000.00	R&TD, IT, environment
	ESF	Beneficiary	31,860,000.00	employment, social inclusion
	ETC	Beneficiary	1,249,966.40	environment, mobility, energy
2014-2020	ERDF	Global Grant	52,000,000.00	R&TD, low-carbon economy, employment, social inclusion, SUD
	ESF	Global Grant + Beneficiary	45,000,000.00	employment, social inclusion

Table 9: City of Amsterdam. Programmes, role, amount of funding managed and priority fields

Sweden

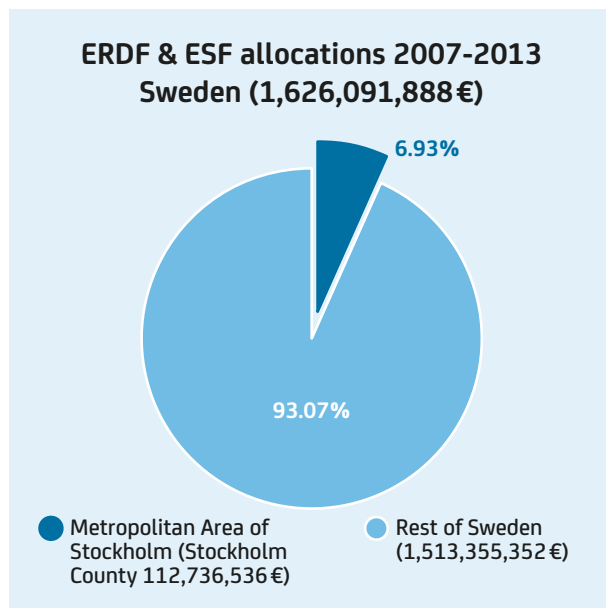
Stockholm Metropolitan Area (East Sweden)



The county of Stockholm (2,192,433 inhabitants) plays a role similar to that of a metropolitan area (it is a NUTS III) within the region of East Sweden.

In the period 2007-2013, the metro area received 35.6M€ from the different ERDF Operational Programmes, as well as 75 M€ from the ESF fund. The metro area participated in nine ETC projects touching on a wide range of fields, with an estimated total budget of around 2,136,536 €.

The graph shows the dimensions of the institution's involvement in the management of EU Structural Funds in the period 2007-2013 as a proportion of the total amount allocated to the country as a whole.



Graphic 10: ERDF and ESF allocations 2007-2013. Metropolitan Area of Stockholm vs. Sweden

In the current period ERDF funds have been allocated under three different Operational Programmes on a national level: the National regional fund programme for investments in growth and jobs 2014-2020 (133,244,750 €), the Stockholm programme (37,011,451 €) and the Community-led local development programme (this one combining 8,504,984 € in ERDF funds and 8,343,266 € from the ESF, in the fields of technical assistance and social inclusion). Stockholm county has in the current period seen a slight loss in its allotment of ERDF funds (32 M€) but a significant increase in ESF funds (116 M€).

The Stockholm County Council has maintained its earlier priorities for ESF spending (social inclusion and employment, with the new addition of education) as well as for its ERDF programs (R&TD, SMEs, environment, ICT, transport).

The county of Stockholm is an active member of the structural funds partnership committee and of working groups and is engaged in both the development and implementation stages of the

	Programme	Role	Amount €	Fields
2007-2013	ERDF	Beneficiary	35,600,000.00	R&TD, economy & business, environment, ICT, transport
	ESF	Beneficiary	75,000,000.00	social inclusion, employment
	ETC	Beneficiary	2,136,536.00	SMEs, R&TD, social inclusion, transport, environment, energy, employment
2014-2020	ERDF	Beneficiary	32,000,000.00	R&TD, SMEs, low-carbon economy, environment, ICT, transport
	ESF	Beneficiary	116,000,000.00	social inclusion, employment, education

Table 10: Metropolitan Area of Stockholm. Programmes, role, amount of funding managed and priority fields

Stockholm Operational Programme. Meetings are held on a yearly basis, and the priorities for the following 12 months are set. The Structural Funds partnership for the programming period 2014-2020 was developed and works according to the *Stockholmsmodellen*, under which the partnership takes a more active role in the stewardship of the projects that receive funding. The partnership issues annual targeted calls within the Social Fund and Regional Fund that are in line with the region's challenges and needs. This model produces cohesive strategic investments that generate greater regional benefits.

Italy

City of Turin (Piedmont)

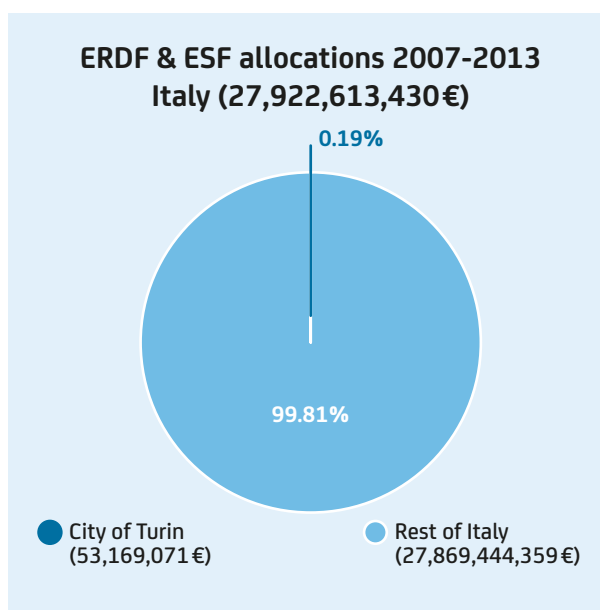
The city of Turin, in the Piedmont region, has a population of 892,649.

In the previous programming period, Turin received 52.96 M€ from the regional ERDF Piedmont OP to fund 10 projects in the fields of R&TD, environment and risk prevention. The institution also participated in two Interreg IVC projects and one URBACT project, for which it benefited from 209,071 € from the EU.

The graph shows the dimensions of the institution's involvement in the management of EU Structural Funds in the period 2007-2013 as a proportion of the total amount allotted to the country as a whole.

In the current period, a special Operational Programme has been defined for Italian metropolitan areas, pooling together ERDF and ESF funds; upon its implementation in the metropolitan area of Turin, the territory as a whole will benefit from 40 M€ for the fields of smart cities (energy, mobility, ICT, electronic administration, etc.) and accessibility and social inclusion. The region's 2007-2013 priorities are therefore mostly maintained.

While the city was not directly involved in the management of EU Structural Funds in the period 2007-2013, it collaborated with the Piedmont



Graphic 11: ERDF and ESF allocations 2007-2013. City of Turin vs. Italy

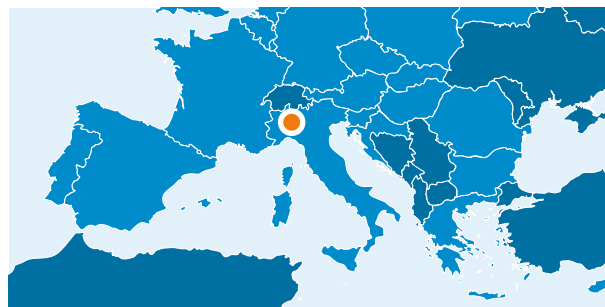
region on urban issues. In addition, officials report that in the current period they have seen an enhancement in their role in the structuring of the Operational Programme PON Città Metropolitane 2014-2020 thanks to their closer collaboration with the Managing Authorities.

	Programme	Role	Amount €	Fields
2007-2013	ERDF	Beneficiary	52,960,000.00	R&TD, environment, risk prevention
	ETC	Beneficiary	209,071.00	energy, environment, SMEs, employment
2014-2020	ERDF+ESF	Beneficiary	40,000,000.00	ICT, SMEs, low-carbon economy, social inclusion

Table 11: City of Turin. Programmes, role, amount of funding managed and priority fields

Italy

Metropolitan Area of Milan (Lombardia)



The Metropolitan City of Milan (Città Metropolitana di Milano) includes the city of Milan and other 133 municipalities. It is the biggest and richest metropolitan area in Italy, with 3,205,871 inhabitants. It was first created by a measure reforming local authorities (Law 142/1990), then was recognized in the Constitution (2001) and finally formally established by Law 56/2014. It has been operative since January 1, 2015.

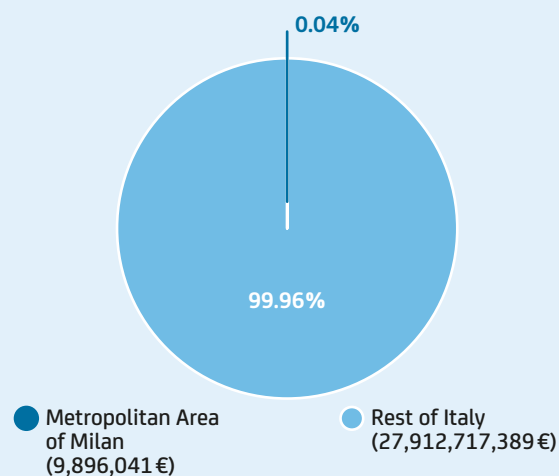
In the period 2007-2013, the Metropolitan Area of Milan was the beneficiary of three projects co-financed by the ERDF amounting to almost 2M€ in the field of transport, along with 7.5 M€ worth of ESF projects whose aim was to tackle employment issues and three ETC projects amounting to almost 0.5 M€ in the field of SMEs.

The graph shows the dimensions of the institution's involvement in the management of EU Structural Funds in the period 2007-2013 as a proportion of the total amount allotted to the country as a whole.

In the current period, according to the information submitted, the metro area is waiting for the opening of the first ESF call for proposals at a regional level, and it plans to submit a project on the reinforcement of institutional and administrative capacity in the metropolitan area through the creation of a new technical unit.

The institution was present in the monitoring of the regional Operational Programmes in the form of a

ERDF & ESF allocations 2007-2013 Italy (27,922,613,430€)



Graphic 12: ERDF and ESF allocations 2007-2013. Metropolitan Area of Milan vs. Italy

representative it placed on the monitoring team in the period 2007-2013, while in the current period this participation has been expanded to include the preparation and implementation phases of the programmes. It is worth noting that there has been a change in the structure of the preparation and monitoring committees. While at the beginning of the period 2014-2020 there was a single Committee for both the ERDF and the ESF funds, some months later a decision was made to split it into two: one specific Committee for the ERDF and another for the ESF.

However, the institution reports that its involvement in the 2014-2020 EU programming process along

	Programme	Role	Amount €	Fields
2007-2013	ERDF	Beneficiary	1,980,242.00	transport, culture
	ESF	Beneficiary	7,478,800.00	employment
	ETC	Beneficiary	436,999.00	SMEs, culture

Table 12: Metropolitan Area of Milan. Programmes, role, amount of funding managed and priority fields

with the national and regional Governments (the authorities who have the decision-making power) was largely a formality. The national and regional governments did not view the Metropolitan area as a full partner, according to the institution. Indeed, the Metropolitan Area was not involved at all in the process of shaping the community-led local development strategy. The relationship between the metro area, the region and the city was not fluid, and this is evidence of an existing governance problem in the territory. Despite the strong implication of the European Commission, improvements in the decision-making role of local governments in general and of the metropolitan area in particular are not being materialised in tangible ways; a possible explanation is that Metropolitan Cities are a new reality, and the institutions have only been recently recognised by law.

Austria

City of Vienna (Vienna)



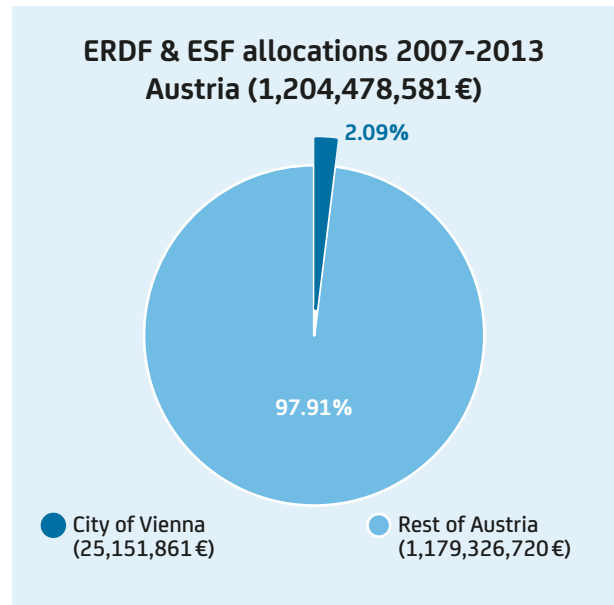
The city of Vienna (which, in fact, is a city-region of 1,826,030 inhabitants) was the Managing Authority of its own ERDF OP during the period 2007-2013, with an allocation of 25M€. No ESF or ETC projects were submitted during this past period.

The graph shows the dimensions of the institution's involvement in the management of EU Structural Funds in the period 2007-2013 as a proportion of the total amount allotted to the country as a whole.

In the current period, it continues to be the Managing Authority within its territory, but this time as part of the national OP. No information regarding the ESF has been submitted because this fund is managed by the Austrian Ministry of Social Affairs and Consumer Protection, according to the institution.

The priority placed on R&TD, energy, transport and environment in the previous period have continued in the current one, with Sustainable Urban Development now also assuming a place as a cross-sectoral priority.

The city of Vienna participates in the negotiations on the Operational Programmes by attending meetings and offering inputs, which officials say are then satisfactorily incorporated into the results and reflect the organization's sufficient degree of participation in the programming and management of EU Structural Funds. In addition, the new programming period has incorporated more efficiency and a reduction of administrative burdens since it has gone from nine Operational Programmes to only one.



Graphic 13: ERDF and ESF allocations 2007-2013. City of Vienna vs. Austria

	Programme	Role	Amount €	Fields
2007-2013	ERDF	Managing Authority	25,151,861.00	R&TD, energy, transport, IT
2014-2020	ERDF	Managing Authority	24,750,000.00	R&TD, SMEs, low-carbon economy, SUD

Table 13: City of Vienna. Programmes, role, amount of funding managed and priority fields

Hungary

City of Budapest (Central Hungary)

Budapest (population: 1,757,618) belongs to the region of Central Hungary.

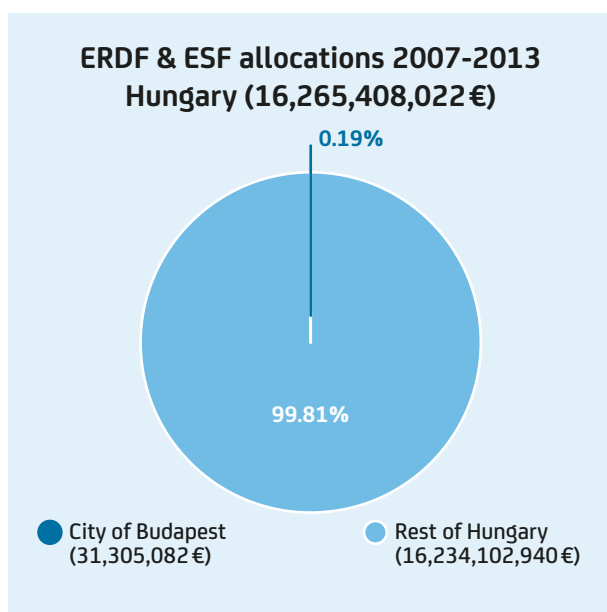
In the period 2007-2013, the institution carried out four projects corresponding to three different Operational Programmes: the Central Hungary Regional Territorial OP, the Economic Development OP, and the State Reform OP. The EU funding for that period was rounded out by four more projects co-financed by the Interreg IVC.

The graph shows the dimensions of the institution's involvement in the management of EU Structural Funds in the period 2007-2013 as a proportion of the total amount allotted to the country as a whole.

As for the period 2014-2020, the capital of Hungary has benefited from three different projects from two distinct Operational Programmes under the auspices of the ERDF and the Cohesion Funds: the Integrated Transport OP and the Environment & Energy Efficiency OP.

The environment and related priorities (transport, risk prevention, etc.) have been of great importance for the city of Budapest for years. In the previous period, the city also carried out projects in the fields of public administration, SMEs and social inclusion.

In the current period, Budapest has based its city strategy on a plan for Integrated Territorial Investment and the Urban Development Networks.



Graphic 14: ERDF and ESF allocations 2007-2013. City of Budapest vs. Hungary

In recent years, the municipality of Budapest has played a significant role in the different stages of the management of EU Structural Funds, where it has provided its opinion on the draft proposals of the Operational Programmes and the Partnership Agreement and has been represented in many of the Monitoring Committees. For the current period, the capital and the region will fully benefit from the different Operational Programmes that aim to strengthen regional cohesion and increase competitiveness.

	Programme	Role	Amount €	Fields
2007-2013	ERDF	Beneficiary	30,786,610.00	environment
	ESF	Beneficiary	110,336.00	public administration
	ETC	Beneficiary	408,136.00	transport, SMEs, social inclusion
2014-2020	ERDF	Beneficiary	68,733,784.00	transport, environment, risk prevention

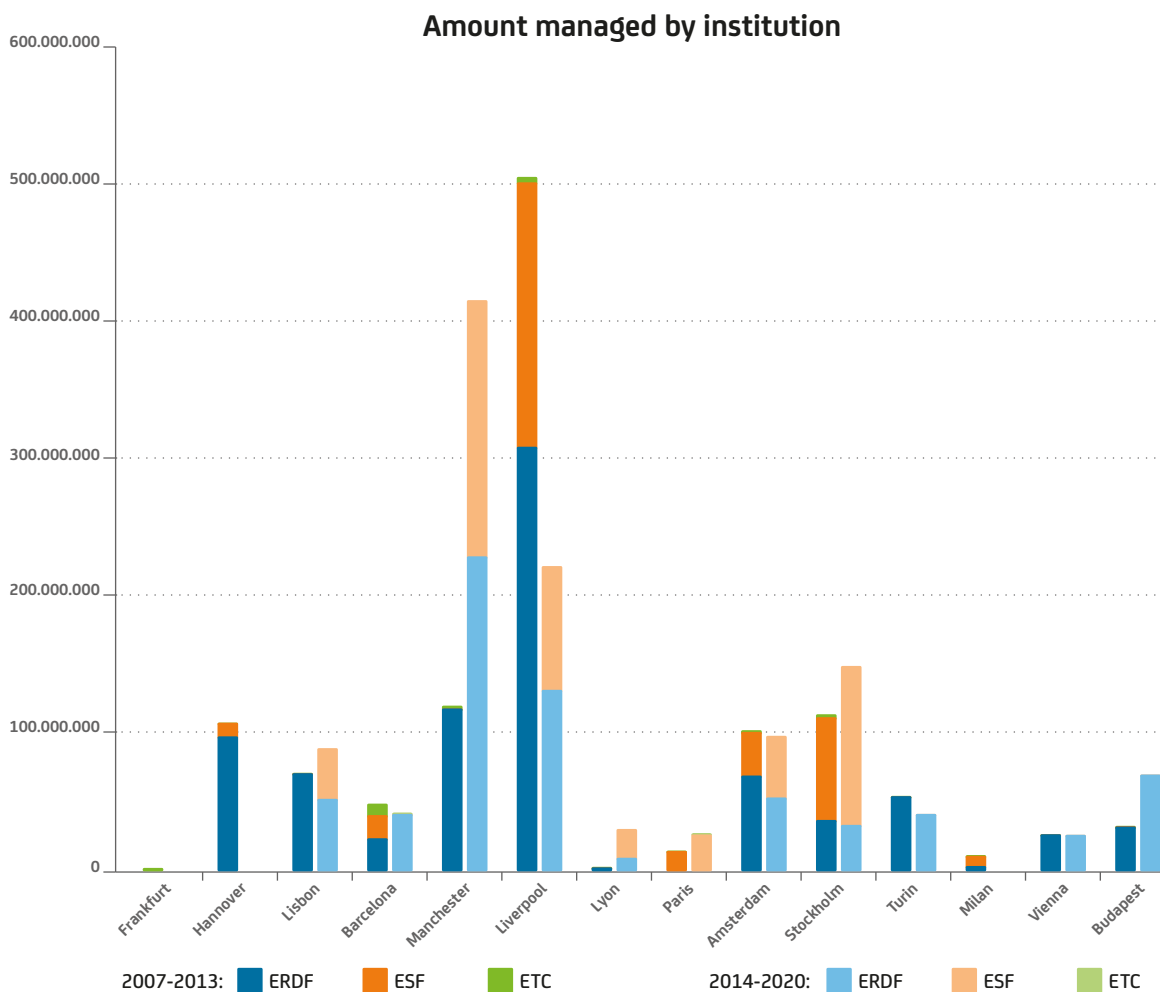
Table 14: City of Budapest. Programmes, role, amount of funding managed and priority fields

5. Conclusions of the Survey

This cross-sectoral analysis of the results presented in the previous Section will provide figures that will show the status of this issue in the European Union. Indeed, this analysis will respond to questions such as: How much money do these institutions manage? In this context, what is their weight at national level with respect to their weight in GDP and in population? What is the predominant role of metro areas in the EU in their participation in the EU Structural Funds? What are the most common priorities amongst these institutions?

How much?

The chart below shows how figures change radically from one metro area to another, which means that these institutions do not follow any particular pattern when they act as managers or beneficiaries of EU Structural Funds. Not would any overarching pattern be apparent in an account of the evolution from the previous period to the current one (or in other words, the relation between the first and the second column for each institution). Although some institutions have



Graphic 15: Amount of ERDF, ESF and ETC funds managed by the 14 metros in the 2007-2013 and 2014-2020 programming periods

shown progress (they are managing more money now than before), others have experienced setbacks (with a decrease in the quantity managed).

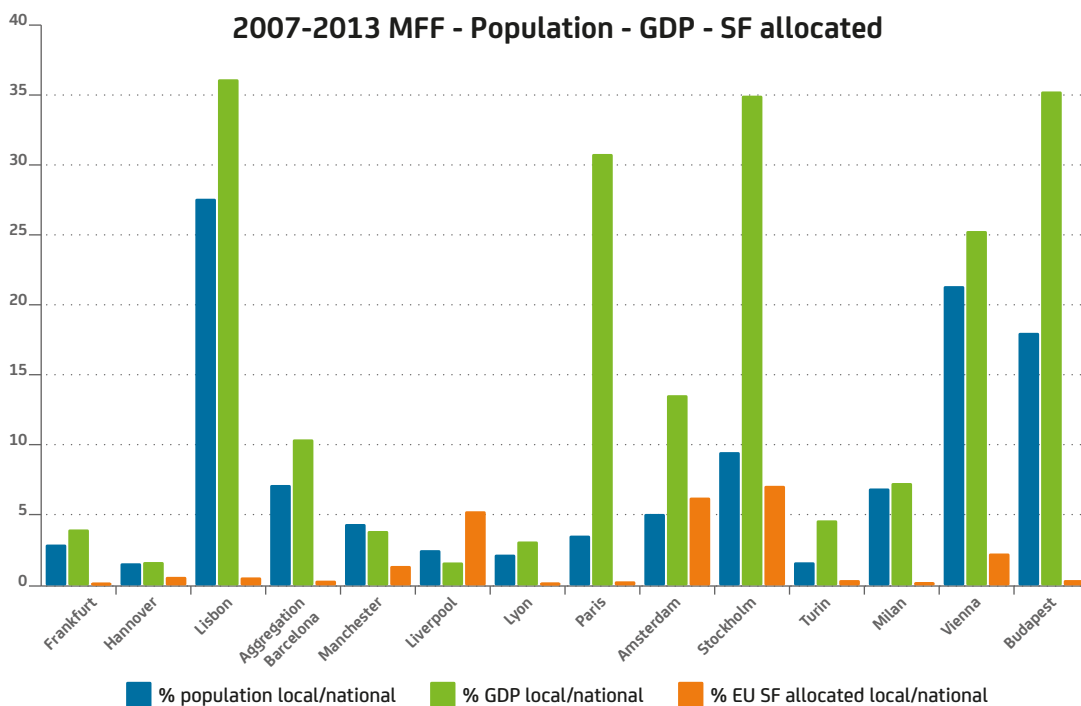
The ERDF and ESF fund figures for the Metropolitan Area of Liverpool stand out for both periods, while those of the Metropolitan Area of Greater Manchester are particularly high in the current one. Through the regional North-West England Operational Programme (2007-2013) and England Operational Programme (2014-2020), these metro areas have found a considerable number of opportunities to take advantage of ERDF and ESF funds.

In the previous period, Liverpool and Greater Manchester were followed by Stockholm (113 M€), Hannover (107 M€) and Amsterdam (101 M€). In a second group (from 25 M€ to 100 M€) we find Lisbon (70 M€), Turin (53 M€), Barcelona (aggregation, 47.5 M€), Budapest (31 M€) and Vienna (25 M€). Paris (13 M€), Milan (9.9 M€), Lyon (1.4 M€) and Frankfurt (0.6 M€) were the institutions that benefited the least from the EU Structural Funds.

Greater Manchester (415 M€) and Liverpool (221 M€) top the list of metro areas in terms of amount of benefits from the EU Structural Funds in the current

period, followed by Stockholm (148 M€). Barcelona (aggregation) and Turin both have around 40 M€ as of now, and Lyon (29 M€), Paris (25 M€) and Vienna (24 M€) close out the list. Neither German metropolitan areas (Frankfurt and Hannover) nor Milan has received any funds as of yet. Apart from those institutions that have been exercising a managerial role during this period (Lisbon, Amsterdam, Vienna, Lyon and Paris) and who as a consequence have received a specific allotment of funds to manage, most of the other cases have received specific ringfences to manage as beneficiaries (ETC excluded). Budapest, for instance, is an exception, since all of the amounts received up until now have been aimed at four specific projects.

The ERDF (ETC excluded) is the fund that provides the most resources to the metropolitan sphere. While as of now the ERDF funds for the current period have yet to reach the level of the outlay in the previous period (675,043,784 € as compared with 829,027,436 €), one has to bear in mind that the current figure will continue to increase through 2020. The ESF allocations for the current period, in contrast, are already higher than those allocated in the previous period, having risen from 347,501,268 € to 521,340,000 €. While the metro areas still manage fewer ESF resources ERDF resources, the former are



Graphic 16: Ratio of population, GDP and funds managed by the 14 metros, in relation to the national totals.

taking on more and more weight. Indeed, in the previous period the sums of ESF funds managed by the metro areas represented 42 % of the ERDF amounts, while in the current period they represent 77 %. Compared to the ERDF and ESF allocations for the whole territory of the EU, in the previous period the ESF (76 billion €) represented 38 % of the ERDF (201 billion €). In the current period, the ESF (86 billion €) represents 43 % of the ERDF (200 billion €).

In this context, it is essential to analyse three especially illuminating figures for each of the metro areas involved in the Study and compare them to their respective countries: population, GDP and EU Structural Funds managed.

The graph shows very clearly that the amount of funds managed by some European metros has no coherent correspondence with the proportion of their countries' GDP or population that they represent. Once again using the example of Paris, the city represents 30 % of the national GDP and 3.4 % of the national population, but it managed only 0.10 % of the total amount allocated by the Structural Funds in France during the 2007-2013 MFF. The same occurs with Barcelona: 10% of the national GDP, 7 % of the national population and only 0.15 % of the

Structural Funds allotted to Spain; Budapest, 35 % of the national GDP, 18 % of the population and 0.19 % of the Hungarian Structural Funds, or Turin, 4.5 % of the Italian GDP, 1.5 % of the national population and 0.19% of the Structural Funds allocated to Italy.

On the other end of the scale, Amsterdam and the two British metros, Greater Manchester and Liverpool, present a balanced or positive ratio. Amsterdam represents 13 % of Dutch GDP, 5 % of the population and 6 % of the Structural Funds allocated in the Netherlands during the period 2007-2013; and Liverpool, 1.45 % of the UK GDP, 2.33 % of the UK population and 5.11 % of the British Structural Funds. The case of Greater Manchester must be treated separately. The northern metro represents 3.7 % of UK GDP, 4.2 % of the population and its participation in the Structural Funds has evolved in a very positive manner from 1.20 % of the total (ERDF only) in the 2007-2013 MFF to 3.85 % (ERDF and ESF) in the current one. The involvement of these metros in the management of Structural Funds shows is certainly an indication of the path forward, as well as of the level of localisation, which in the UK and in the Netherlands is particularly high in comparison with the rest of the countries involved in this Study.

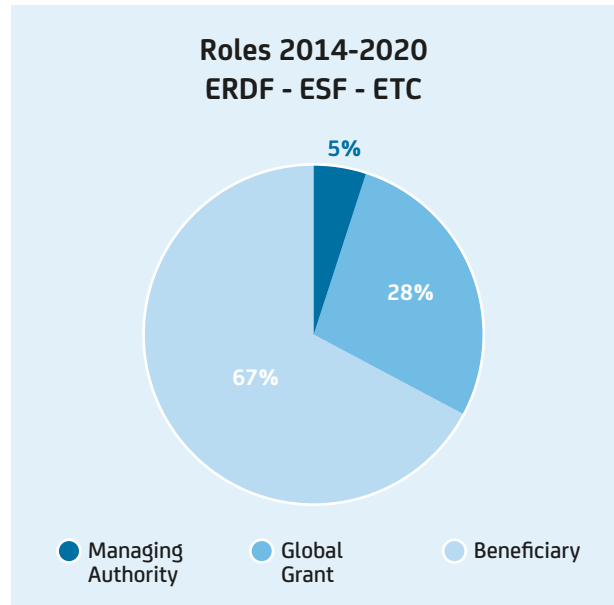
2007-2013	% population local/national	% GDP local/national	% EU SF allocated local/national
Frankfurt	2.73	3.81	0.0023
Hannover	1.39	1.48	0.42
Lisbon	27.46	36.00	0.38
Aggregation Barcelona	6.99	10.25	0.15
Manchester	4.20	3.70	1.20
Liverpool	2.33	1.45	5.11
Lyon	2.01	2.95	0.01
Paris	3.37	30.66	0.10
Amsterdam	4.92	13.41	6.09
Stockholm	9.34	34.83	6.93
Turin	1.46	4.46	0.19
Milan	6.74	7.13	0.04
Vienna	21.21	25.15	2.09
Budapest	17.87	35.13	0.19

Source: compiled by authors

Table 15: Ratio of population, GDP and funds managed by the 14 metros, in relation to the national totals



Graphic 17: Role played by the metros during the 2007-2013 programming period



Graphic 18: Role played by the metros during the 2014-2020 programming period

What role?

It is crucial to analyse the various roles that the European cities and metropolitan areas can play: Managing Authorities of Operational Programmes, Intermediate Bodies managing funds provided in a Global Grant, or beneficiaries of specific project allocations.

The role of beneficiary is open to a very wide range of actors (public authorities, civil society organisations, SMEs, students...), and is subject only to the limits of any given programme or call for proposals. On the other hand, being a Managing Authority or an Intermediate Body entails a high level of responsibility. These institutions provide information on EU funding, but more importantly, they define the priorities and selection criteria, select projects and monitor their implementation and evaluation. In this context, only a few metropolitan areas act as Managing Authorities or Intermediate Bodies.

Indeed, the activity of most of the metropolitan areas participating in the Survey was limited to the role of beneficiaries during the period 2007-2013: in fact, the ESF and ETC funds did not even consider allowing the participating metro areas to take on managerial roles to be an option. With regard to the ERDF funds, the city of Vienna was the only Managing Authority, while the city of Amsterdam,

the city of Barcelona and the Metropolitan Area of Hannover each managed a Global Grant.

In the current period, the participating institutions seem to have become more likely to take on managerial roles. While previously only four of them did so, there are now twice as many engaging in this activity. There is now one institution that acts as a Managing Authority (Vienna for the ERDF fund); while six others have the role of Intermediate Bodies thanks to having been awarded Global Grants: Lisbon and Amsterdam have each received a Global Grant to manage both ERDF and ESF funds, along with Cohesion Funds in the case of Lisbon. Lyon and Paris are now managing ESF funds as part of their efforts to ensure social inclusion.

Using what specific instruments?

For the current period, the European Union established an additional set of specific instruments or tools to help institutions more efficiently implement the priorities they have established for their territories: Community-Led Local Development (CLLD) and Local Action Groups, Territorial Pacts, Integrated Territorial Investment (ITI) and Financial Instruments (FI)¹.

¹ An introduction to these instruments can be found in the Annex of this document

Despite the valuable, well-defined territorial orientation of these instruments, more than half of the cities are not using any of them. Integrated Territorial Investments are the most extended instrument (Lisbon, Lyon, Amsterdam, Budapest and Paris), and Financial Instruments have been used by the Metropolitan Area of Greater Manchester.

Milan and Greater Manchester highlighted two negative experiences with these tools. The former city reported that although CLLD is mentioned in the Lombardia regional OP, the institution was not involved at all in the development of this instrument. As for the metropolitan area in the UK, Manchester reports that metropolitan areas were assured that ITI would not be required within the England OP, as the Managing Authorities would ensure that local areas had enough influence and control to make this unnecessary. However, there has been a lack of progress in passing on meaningful roles and powers to UK metro areas.

Territorial Pacts are not used by any of the institutions either, although officials from the Metropolitan Area of Lisbon explain that they consider the ITI to be as the basis for Territorial Pacts and CLLD.

The low number of cities that have employed these instruments could indicate that most of

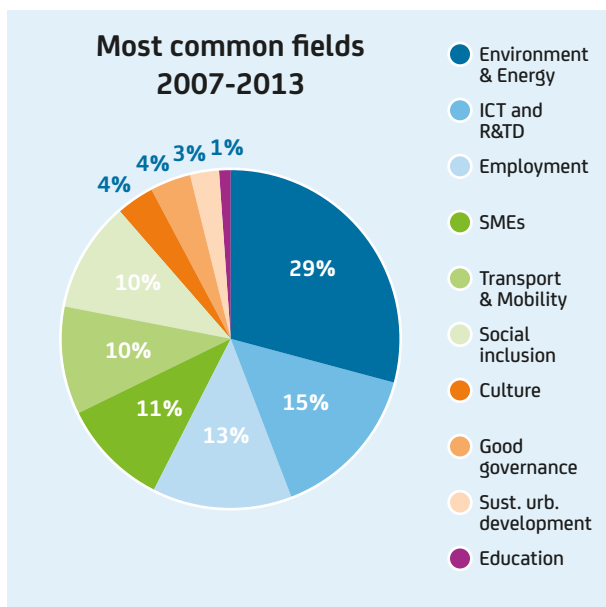
the instruments do not respond to the needs and interests of big urban agglomerations or, as in the cases of Milan and Greater Manchester, that national and regional authorities are not fully interested in using these instruments or in including the metro areas in them.

In what fields?

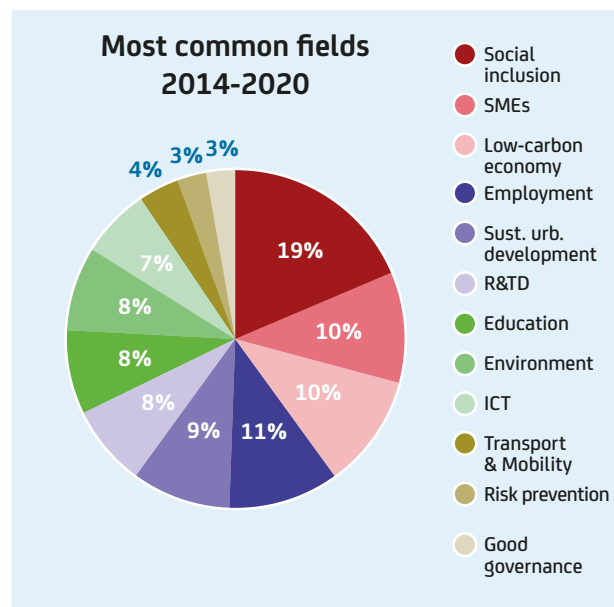
According to the objectives and priorities set out in the ERDF and ESF regulations, as well as to the different Operational Programmes, each of the participating institutions has carried out the appropriate projects and programmes.

As the graph below shows, most of the projects and initiatives carried out by metro areas are aligned with the priorities established by the Structural Funds Regulations.

Environment & Energy was the most frequently mentioned field (almost one third), followed by ICT-R&TD (15%), Employment (13%), SMEs (11%), and Transport & Mobility and Social inclusion (10% each). The institutions did not tend to apply the funds in these programs and projects funds to the fields of Culture, Good governance, Sustainable urban development and Education (4% to 1%) in their programmes and projects.



Graphic 19: Investment priorities during the 2007-2013 programming period



Graphic 20: Investment priorities during the 2014-2020 programming period

In this ongoing period, the institutions are working to meet the Thematic Objectives set forth in EU Regulations, which call for Social inclusion to become the most common field in these projects and programmes (while in the previous period it had been in 5th place, on the same level as Transport & Mobility).

If results are presented with similar fields aggregated as in the previous period, Environment & Energy moves back to the top of the list, followed by Social inclusion and, again, ICT and R&TD. Metro areas are apparently strongly investing in innovation and the new technologies, and they are becoming the best platform for these sectors, which are key to European competitiveness in the global economy. In addition, they are particularly concerned with the reduction of the environmental impact at a metropolitan level. Again, Education does not receive a significant percentage of the investments made in the metropolitan territories analysed, which would suggest that metropolitan areas do not have competences in the educational field.

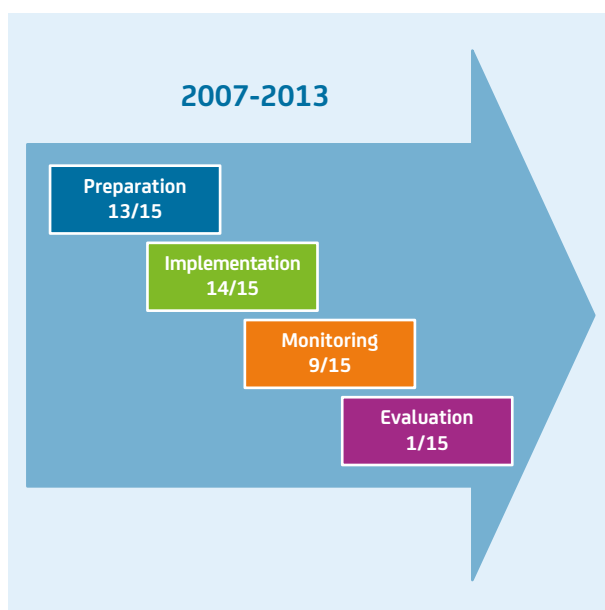
Sustainable Urban Development has consolidated its place as a priority for metropolitan areas in the period 2014-2020. This is especially apparent in the cases of the Metropolitan Area of Greater Manchester, the Metropolitan Area of Liverpool and the cities of

Amsterdam, Vienna and Barcelona (the latter, along with the Metropolitan Areas of Lyon and Hannover, were the only ones to incorporate sustainable urban development as a priority in the period 2007-2013).

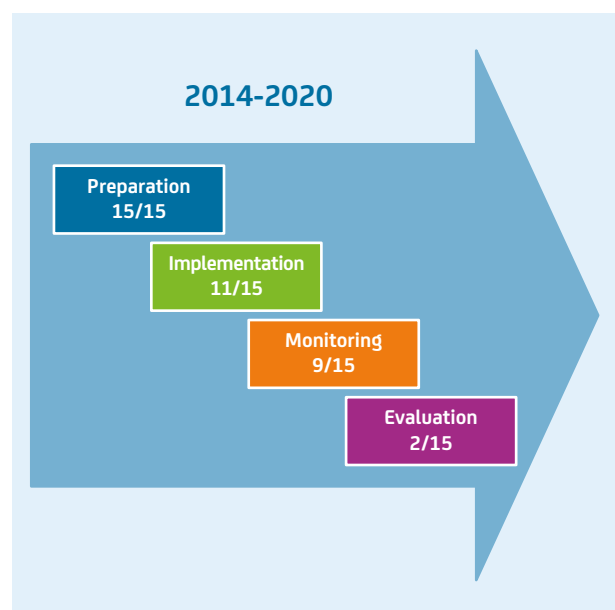
As a final remark, it is very noteworthy that beyond what could be considered the classical fields of the urban agenda (environment, transport and mobility, SMEs and employment); other domains of intervention are emerging, with innovation taking its place as one of the core priorities for European metros. Indeed, ICT and R&TD appear as in third place on the list of priorities for the analysed metros, along with the low-carbon economy, which was also among the top five domains of intervention in the 2014-2020 Multiannual Financial Framework. Consequently, the role that metropolitan areas play in the EU as engines for economic, social and cultural, sustainable and inclusive development should not be undervalued.

How have the institutions participated in the management of EU Structural Funds?

With regard to the ERDF and ESF funds, it is of interest to focus on the participation of the analysed institutions in each of the stages: preparation, implementation, monitoring and evaluation.



Graphic 21: Participation of metro areas in the different programming stages. (2007-2013 period)



Graphic 22: Participation of metro areas in the different programming stages. (2014-2020 period)

Almost all the institutions participated in the preparation of the different instruments and Operational Programmes in the previous period.

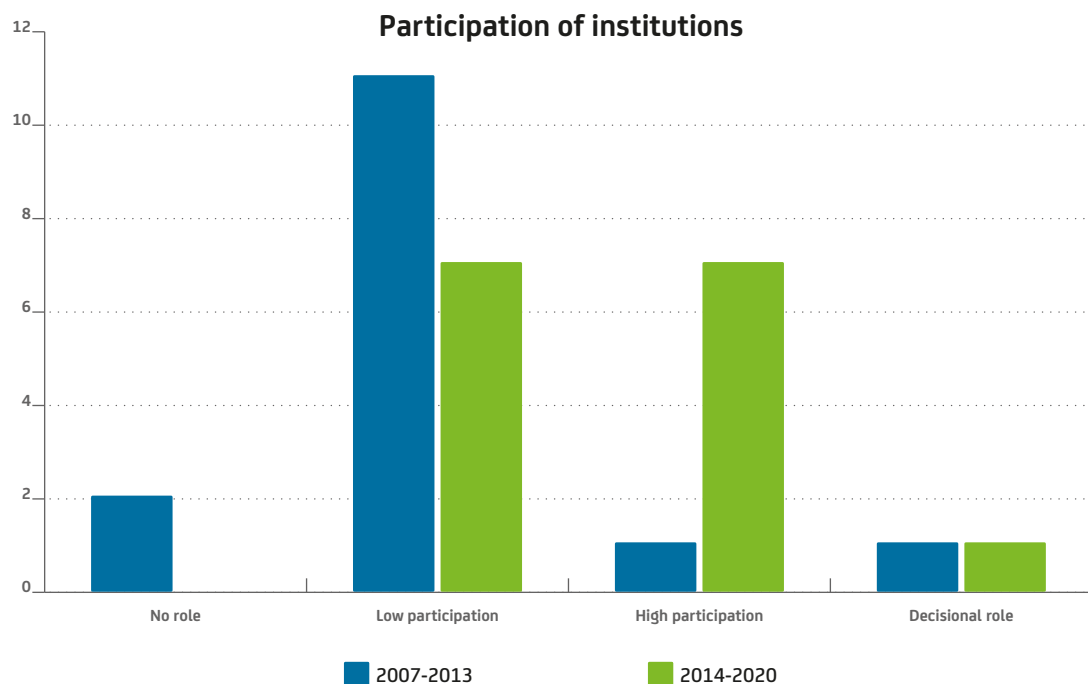
Concerning the implementation stage, those institutions that have acted as either Managing Authorities or Intermediate Bodies have played a relevant role: Hannover, Amsterdam, Barcelona and Vienna in the previous period, and Amsterdam, Vienna, Lisbon, Lyon and Paris in the 2014-2020 period. However, the institutions that have managed projects as beneficiaries have also participated in the implementation stage. All of these institutions are included on the chart: 14 institutions in the period 2007-2013 (all but Frankfurt) and 11 in the period 2014-2020 (all but Frankfurt, Hannover, the Barcelona Metropolitan Area and Milan).

The results of the Survey show that 60 % of the institutions have participated in the monitoring and evaluation stages as part of the supervision of the implementation of the different Operational Programmes. However, the role of the metro areas in the final stage, the evaluation of the results, is almost inexistent: only one institution participated in the evaluation stage in the previous period (Lisbon), while two of them (Lisbon and Greater Manchester) are now are doing so.

While the diagrams above do not evaluate the quality, depth and frequency of the participation of the institutions in the different stages, the following charts do show the impact of said participation on the management of EU Structural Funds on an overall national/regional scale. For this purpose, only data related to the preparation and monitoring stages have been included.

As can be observed there has been a progression in the participation of the institutions in the different stages of the management of EU Structural Funds. Indeed, during the previous period, the Barcelona Metropolitan Area, to cite one example, had no role whatsoever in the preparation and monitoring of the Operational Programmes, while in the new one the institution has been consulted in specific areas (housing, transport).

Other institutions have undergone an important evolution, with an example being the Metropolitan Area of Greater Manchester which, despite having collaborated in the different stages, went from being largely disregarded by the ERDF Managing Authorities, or not being consulted at all on the ESF, to discussing the implementation of Intermediate Body status for Greater Manchester with the Managing Authority for ERDF and ESF. The Metropolitan Area of Lyon, which was not previously involved in the regional governance



Graphic 23: Role played in the management of funds (2007-2013 and 2014-2020)

for the ERDF and the ESF Operational Programmes, now has the opportunity to contribute to the definition of the ERDF thematic objectives for the Rhône-Alpes region, and Paris has experienced a similar situation.

Other institutions have expressed satisfaction with their participation over both periods. For instance, Stockholm has been, and continues to be, a member of the structural funds partnership committee and the working groups, and the city of Budapest is able to give its opinions in all stages and is present on the monitoring committees as well. The administrative and territorial changes undertaken by France seem to have had an effect on the phenomena of concern to this Study, since both Lyon and Paris now have more opportunities than before. Amsterdam has had a strong degree of involvement in all stages: during the period 2007-2013, the institution participated largely in the definition and drafting of the ERDF and ESF Operational Programmes, and it also managed and monitored the implementation of a specific amount set aside for Amsterdam. Now, as the institution puts it, its actions, which include contributing to the definition and writing of the Operational Programmes, managing and monitoring the parts allocated to Amsterdam, and managing an ITI and the ERDF-ESF combined programme within the ITI, have all come together to bring about very positive developments in terms of its overall participation in the management of EU Structural Funds. In a similar manner, Paris combines different instruments such as an ITI and a Global Grant in its territory, judging this experience very positive.

Despite these positive and satisfactory levels of participation in the management of these funds, there are some other experiences have left much to be desired. This is the case of Hannover: in spite of being a member of the Government Committee of the federal state of Niedersachsen, the improvements in this period have just been “theoretical” according to the institution, given that the competences are centralized in said Government. In addition, six of the institutions have only participated in the preparation stage, that is, only one of the two phases analysed, and they have done so through occasional meetings or consultations.

Has the new programming period 2014-2020 brought with it relevant improvements?

Some institutions have indeed experienced relevant improvements under the new programming period. Some of these changes are related to the simplification of the process: moving to only one national Operational Programme rather than nine in Austria, or establishing a two-phase application in ETC programmes like the Interreg North-West Europe are examples of changes that have offered greater efficiency and decreased administrative burdens, which is seen as a great advance according to Frankfurt.

Other improvements are based on the *upgrade* of the roles of the institutions in the preparation and management of EU Structural Funds: the Metropolitan Area of Lyon now contributes to the definition of the thematic objectives of the regional ERDF OP, the allocation of the ringfence awarded to the Metropolitan Area of Liverpool is now established at the metropolitan level (and their opinion on the drafting of calls for proposals is now given greater weight), and the Metropolitan Area of Lisbon, in collaboration with its municipalities, sets the priorities for the strategic territorial development of the area through the ITI.

In spite of all these positive experiences, not all participating institutions are satisfied with their roles and the possibilities afforded them. Many metro areas feel excluded from the preparation and managing processes, as their role is almost inexistent or their inputs are not taken into account.

Political will is essential to any possible change in the role of metro areas in the management of EU Structural Funds. Indeed, if there is no political commitment to a change in the current consideration given to local authorities, and especially to metropolitan areas (Barcelona Metropolitan Area), the local efforts will vanish. Political problems and the lack of progress create frustration and confusion (Metropolitan Area of Greater Manchester), and strip EU of their sense when they land on national and regional soils (Metropolitan Area of Milan).

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Glossary

AMB – Barcelona Metropolitan Area

CF – Cohesion Fund

CLLD – Community-Led Local Development

COSME – Europe’s programme for small and medium-sized enterprises.

ERDF – European Agricultural Fund for Rural Development

EMFF – European Maritime and Fisheries Fund

ENPI CBC MED – European Neighbourhood and Partnership Instrument /Cross-Border Cooperation in the Mediterranean

ERDF – European Regional Development Fund

ESF – European Social Fund

ESIF – European Structural and Investment Funds

ETC – European Territorial Cooperation

EU – European Union

EUR – Euros

FI – Financial Instruments

GDP – Gross domestic product

ICT – Information and communications technology

ITI – Integrated Territorial Investment

LEP – Local Enterprise Partnerships

MFF – Multiannual Financial Framework

NUTS III – Nomenclature of Territorial Units for Statistics, III: Small regions for specific diagnoses

OP – Operational Programme

PON – National Operational Programme (Italy)

PORLISBOA – Regional Operational Program for Lisbon

QREN – National Strategic Reference Framework (Portugal)

R&TD – Research and Technology Development

RIS3CAT – Catalan Research Innovation Strategies for Smart Specialisation

SF – Structural Funds

SME – Small and Medium Enterprise

SUD – Sustainable Urban Development

TO – Thematic Objective

UK – United Kingdom

URBACT – European Territorial Cooperation programme aiming to foster sustainable integrated urban development in cities across Europe.

Annex

EU structural funds and urban areas

The role of cities has been studied and discussed in the European Union for decades. The term “sustainable urban development” is not a new one, and in fact was used to define the objective of the URBAN II Community Initiative (“To lay down Commission guidelines on the economic and social regeneration of cities and neighbourhoods in crisis in order to promote sustainable urban development”).

Before that, the urban dimension started to take shape in the European Union in 1989, when the **Urban Pilot Projects** were initiated, with the mission of confronting urban problems through innovative approaches to various areas of concern. Their portfolio included social and economic deprivation, poor land use and planning, neglected historic centres, poor links between research and development activities with small and medium-sized enterprises and derelict industrial wasteland. About 1% of Structural Funds was spent on a series of innovative measures across the European territory.

The **URBAN I** (1994-1999) and **URBAN II** (2000-2006) **Community Initiatives** addressed the regeneration of urban areas through projects co-financed by the EC (both the ERDF and the ESF provided co-financing for these initiatives). The success of these initiatives was translated into institutionalized programmes called **URBACT** (since 2003) that were based on the promotion of knowledge exchange amongst urban representatives. However, there was still no obligation for Member States to include the urban dimension in the national programmes and funds.

From 2000 to 2007, these initiatives were reinforced by a set of policy documents, which advocated for integrated urban development, as well as for the implementation of **urban policy agendas**: the Lille

Action Programme (2000), the Urban Acquis (2004) and the Bristol Accord (2005).

European Territorial Cooperation is the framework within which joint actions and policy exchanges between national, regional and local actors from different Member States are implemented, and cities have taken advantage of it from the very start to carry out small to medium-sized projects in various fields. ETC (also called Interreg) was born in the period 1990-1993 as a Community Initiative aimed at fostering only cross-border cooperation, while in the subsequent period it was expanded to include transnational and interregional cooperation. Moreover, ETC, which was integrated into the Structural Funds regulations from the year 2000 to 2006, has gained for the first time in the current period its own regulation and become one of the two goals of the Cohesion Policy, along with Investment for Growth and Jobs. ETC is co-funded by the ERDF and based on its priorities and objectives.

In general, local governments have not played the role of Managing Authorities of Operational Programmes or similar instruments. Instead, they have been one of the most notable groups of beneficiaries of EU-funded projects, through the participation in both national and subnational programmes, and in ETC programmes.

European Structural Funds in the period 2007-2013

In the period 2007-2013, the Leipzig Charter on Sustainable European Cities (2007), the Territorial Agenda of the EU (2007), the Barcelona Agenda (2010), the Toledo Declaration (2010) and the Territorial Agenda of the EU 2020 (2011) established the **framework** for an integrated urban approach. This approach to sustainable urban development took as its objectives social, economic and territorial

cohesion, the promotion of labour market measures and the reinforcement of environmental objectives.

Territorial cohesion gathered strength through the Treaty of Lisbon (2007), and the EU realised that different administrations, as well as different types of territories, need to cooperate to achieve better results. Metropolitan areas, inasmuch as they originate economies of scale in the provision of services such as water, transport or waste management, contribute greatly to EU cohesion policy. In the period 2014-2020, administrative boundaries started losing importance in favour of “functional urban areas” such as metropolitan areas (see Recital 19 of the ERDF Regulation).

Art. 11 of Regulation 1083/2006¹ deals with the participation of local authorities in the Member States Operational Programmes and features a *numerus apertus* list of authorities and bodies with which Member States should work in partnership on the **preparation, implementation, monitoring and evaluation stages** of these programmes. This list of representative partners included regional, local, urban and other public authorities, as well as economic and social partners and any other appropriate body representing civil society, environmental partners, non-governmental organisations and bodies responsible for promoting equality between men and women. Nevertheless, the participation of local authorities only took place “where appropriate and in accordance with current national rules and practices”, resulting in a very low level of participation of local authorities in the process.

Another mechanism that allowed for the participation of local authorities in the programming stage (in this case, in the management and implementation of a part of an Operational Programme) was the entrustment of **Global Grants** to them, allowing them to act as Intermediate Bodies (Art. 42-43 of the Regulation 1083/2006). The designating bodies were Member States or Managing Authorities.

Concerning **sustainable urban development** as provided for in Art. 37.4.a of Regulation 1083/2006,

1 Council Regulation 1083/2006, of 11 July 2006, laying down general provisions on the ERDF, the ESF and the Cohesion Fund

it was in particular the ERDF Regulation² (Art. 8) that gave coverage to it. The Regulation established that this fund might support, where appropriate, the development of participative, integrated and sustainable strategies to tackle the high concentration of economic, environmental and social problems affecting urban areas.

The ERDF Regulation considered a variety of activities³ aimed at sustainable urban development, and it promoted the use of specific Operational Programmes or priority axes within an Operational Programme. Only when measures came under the “Regional competitiveness and employment” objective and fell within the scope of the ESF, the ERDF funding could be increased to the level of 15% of the programme or priority axis in question. On the other hand, the involvement of the ESF remained weak.

Sustainable Urban Development, however, was still optional. And, even though Recital 13 of Regulation 1083/2006 reminded the EU institutions and Member States that “greater account should be taken of [towns and cities] by developing their role in programming to promote urban regeneration”, the approach to sustainable urban development was reduced to the participation of local authorities as beneficiaries of EU Structural Funds through the management of specific projects.

The results of the 2007-2013 programming period show that the EU invested around EUR 21.1 billion in sustainable urban development, broken down as follows⁴:

- EUR 3.4 billion for the rehabilitation of industrial sites and contaminated land areas
- EUR 9.8 billion for urban and rural regeneration projects
- EUR 7 billion for clean urban transport
- EUR 917 million for housing

2 Regulation 1080/2006 of the European Parliament and of the Council, of 5 July 2006, on the European Regional Development Fund

3 Strengthening economic growth, the rehabilitation of the physical environment, brownfield redevelopment, the preservation and development of natural and cultural heritage, the promotion of entrepreneurship, local employment and community development, and the provision of services to the population taking account of changing demographic structures

4 http://ec.europa.eu/regional_policy/en/policy/themes/urban-development

In terms of objectives and priorities, the Regulation on general provisions divided the objectives for the period into the categories of Convergence (for less developed regions), Regional Competitiveness, and Employment.

The **ERDF** focused on the creation of sustainable jobs, investment in infrastructure, support of regional and local development and technical assistance, by way of its two objectives: Convergence (Art. 4 of the ERDF Regulation) and Regional Competitiveness (Art. 5).

As for the **ESF**, this fund aimed at helping the economy reach full employment, increasing quality and productivity at work, promoting social inclusion and reducing employment disparities. The ESF supported actions under the Convergence and Regional Competitiveness (Art. 3.1 of the ESF Regulation⁵) and the Convergence (Art. 3.2) objectives.

5 Regulation 1081/2006 of the European Parliament and of the Council, of 5 July 2006, on the European Social Fund

Objective	Convergence	Regional Competitiveness and Employment
Priorities	Support of sustainable integrated economic development and the creation of sustainable jobs in the following fields: <ul style="list-style-type: none"> • research and technological development (R&TD), innovation and entrepreneurship • information society • environment • risk prevention • tourism • investment in culture • investment in transport • energy • investment in education • investment in health and social infrastructures • direct assistance for investment in SMEs 	<ul style="list-style-type: none"> • innovation and the knowledge economy, including the improvement of regional R&TD and innovation capacities, entrepreneurship and creation of new financial instruments for businesses • environment and risk prevention, including restoring contaminated land, encouraging energy efficiency, promoting the use of clean technology in public transport and formulating plans to anticipate and manage natural and technology-related risks • access to transport and telecommunications services of general economic interest, especially by improving secondary networks and encouraging access to information and communication technologies (ICT) for SMEs

Table 16: ERDF 2007-2013 priorities according to Objective

Objective	Convergence and Regional Competitiveness	Convergence
Priorities	<ul style="list-style-type: none"> • increasing adaptability of workers, enterprises and entrepreneurs with a view to improving the anticipation and positive management of economic change • enhancing access to employment and the sustainable inclusion in the labour market of job seekers and inactive people • preventing unemployment, in particular long-term and youth unemployment • encouraging active ageing and longer working lives • increasing participation in the labour market • reinforcing the social inclusion of disadvantaged people with a view to their sustainable integration in employment • combating all forms of discrimination in the labour market; • enhancing and increasing human capital • promoting partnerships 	<ul style="list-style-type: none"> • more investment in human capital, with reforms in education and training systems, increased participation in lifelong education and training, and the development of human potential in the field of research and innovation • strengthening institutional capacity and efficiency in order to contribute to good governance

Table 17: ESF 2007-2013 priorities according to Objective

European Structural and Investment Funds in the current period 2014-2020

The current period 2014-2020 offers cities a more relevant presence in the EU Cohesion Policy. In the programming stage, the EU still requests, or rather it obliges, Member States to organise a partnership with the competent regional and local authorities “in the preparation of Partnership Agreements and progress reports and throughout the preparation and implementation of programmes” (Art. 5 of the 1303/2013 Regulation⁶) in order to achieve multi-level governance and the principles of subsidiarity and proportionality. However, leaving the procedure at the discretion of Member States, no big improvements seem to have taken place with respect to the previous period.

On the other hand, the EU has implemented new and/or improved mechanisms to foster urban development: Community-Led Local Development, Territorial Pacts, Integrated Territorial Investment, the Urban Development Network and Financial Instruments.

Community-Led Local Development (CLLD, Art. 32 of Regulation 1303/2013) is the first tool based on an integrated and inclusive bottom-up approach to tackle local problems and build linkages between urban, rural and fishing areas. Designed and implemented by a Local Action Group (LAG, made up of public partners, private partners and representatives of civil society), it is basically funded by the EAFRD, but this financing can be complemented by ERDF, ESF and EMFF funds, as long as they are defined in accordance with the priorities and objectives of said funds.

Secondly, **Territorial Pacts** (Art. 12 of the ESF Regulation) aim to coordinate and synchronise the policy agendas of the participating national, regional and local governments and to help them to focus their actions and financial resources on the Europe 2020 Strategy goals and targets.

⁶ Regulation 1303/2013 of the European Parliament and of the Council, of 17 December 2013, laying down common provisions on the ERDF, the ESF, the Cohesion Fund, the EAFRD and the EMFF

Integrated Territorial Investment (Art. 36 of Regulation 1303/2013) allows for the combination of investments from several priority axes of one or more Operational Programmes (from the ESF, ERDF or Cohesion Funds, and complemented if necessary with EAFRD or EMFF) in order to achieve a multi-dimensional and cross-sectoral intervention in a specific territory, from one district to a function area. A CLLD, a Territorial Pact or any other strategy based on a specific territory or territories sharing particular features can be the basis for an ITI.

All these tools contribute to **Integrated Sustainable Urban Development** through integrated approaches that endeavour to tackle the economic, environmental, climate, demographic and social challenges affecting urban areas, while taking into account the need to promote urban-rural linkages (Art. 7 of the ERDF Regulation). They also achieve these goals by employing innovative urban actions (Art. 8). As stated above, Sustainable Urban Development has been a priority for the EU for several programming periods. What is new in this 2014-2020 period is the obligation for Member States (through national, regional, multiregional OP, etc.) to take at least 5% of the ERDF resources assigned to the Investment for growth and jobs goal and allocate these funds to integrated actions for sustainable urban development. These resources have to be applied through ITI, specific Operational Programmes or priority axes. Sustainable Urban Development gives cities and sub-regional or local bodies the possibility to take responsibility for the implementation of the strategies to be used in tasks relating, at least, to the selection of operations, and the priorities as well as the criteria for the selection of these urban areas have to be included in the Partnership Agreements. As can be seen, ERDF is still the fund piloting urban development, while the other funds, ESF included, are rather complementary.

In addition, an **Urban Development Network** (Art. 9 of the ERDF regulation) has been established at the EU level to complement the aforementioned instruments in the promotion of capacity-building, networking and exchange of experience between actors of the Sustainable Urban Development (authorities implementing urban strategies and/or innovative actions).

Finally, **Financial Instruments** (Title IV of Regulation 1303/2013) support investments that are expected to be financially viable are unable to attract sufficient funding from market sources. This support for investments is provided by way of loans, guarantees, equity and other risk-bearing mechanisms, possibly combined with technical support, interest rate subsidies or guarantee fee subsidies within the same operation.

As has been observed, the EU institutions are aware of the increasing role of cities and are committed to fostering it in order to achieve smart, sustainable and inclusive growth in the EU. However, not all Member States seem to have moved forward alongside these first steps taken by the EU institutions.

As for the objectives and priorities of the ERDF and ESF funds for the current period, the most remarkable change regarding the previous period is the introduction of the principle of thematic concentration established by Art. 9 of Regulation 1303/2013. This principle is aimed at the integration of the EU cohesion policy with the Europe 2020 strategy to maximise their added value.

For the 11 eligible thematic objectives proposed by Regulation 1303/2013, the **ERDF** has taken all of them and specified 38 specific priorities, while the **ESF** has concentrated its action on only four of them and detailed 19 specific priorities. The thematic objectives for the ERDF (Art. 5 of the ERDF Regulation) and the ESF (Art. 3 of the ESF Regulation) are listed in table 18.

ESI Fund	ERDF	ESF
Thematic Objective	<ul style="list-style-type: none"> • T01 - strengthening research, technological development and innovation • T02 - enhancing access to, and use and quality of, ICT • T03 - enhancing the competitiveness of SMEs, of the agricultural sector (for the EAFRD) and of the fishery and aquaculture sector (for the EMFF) • T04 - supporting the shift towards a low-carbon economy in all sectors • T05 - promoting climate change adaptation, risk prevention and management • T06 - preserving and protecting the environment and promoting resource efficiency • T07 - promoting sustainable transport and removing bottlenecks in key network infrastructures • T08 - promoting sustainable and quality employment and supporting labour mobility • T09 - promoting social inclusion, combating poverty and any discrimination • T010 - investing in education, training and vocational training for skills and lifelong learning • T011 - enhancing institutional capacity of public authorities and stakeholders and efficient public administration 	<ul style="list-style-type: none"> • T08 - promoting sustainable and quality employment and supporting labour mobility • T09 - promoting social inclusion, combating poverty and any discrimination • T010 - investing in education, training and vocational training for skills and lifelong learning • T011 - enhancing institutional capacity of public authorities and stakeholders and efficient public administration

Table 18: Thematic Objectives ESIF 2014-2020



AMB : Àrea Metropolitana
de Barcelona

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