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EUROPEAN PARLIAMENT, THE ECONOMIC AND SOCIAL COMMITTEE AND
THE COMMITTEE OF THE REGIONS**

The programming of the Structural Funds 2000-2006 :

an initial assessment of the Urban Initiative

This Communication forms part of the Commission's work programme for 2002. It discusses the main features of the URBAN Community Initiative Programmes for 2000-2006, with a particular focus on the characteristics of eligible areas, the negotiations with the Member States and the value added by the European Union.

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Executive Summary

Urban areas face significant challenges and opportunities. On the one hand, cities are key locations for the growth and competitiveness of the European Union. On the other hand, they contain blackspots with high rates of unemployment, crime, poverty and dereliction. These "neighbourhoods in crisis" face problems of economic and social integration, often linked to a concentration of ethnic minorities.

The URBAN Community Initiative aims to assist urban areas in crisis, particularly in terms of its three main axes of spending: physical and environmental regeneration; social inclusion; entrepreneurship and employment. It does this in a way with significant added value vis-à-vis national policies and other EU policies, notably in terms of:

- **Targeting** on small areas of severe deprivation. This enables the integrated and co-ordinated approach necessary to tackle the various problems facing the area.
- A focus on issues of community interest in urban areas, notably **social inclusion**, the **integration** of minorities (who are especially concentrated in URBAN areas) and the **natural and physical environment**. By removing these barriers to investment, URBAN contributes **to economic cohesion** and the sustainable growth of the city as a whole.
- **Local partnership**. In roughly one third of cases local authorities constitute the managing authority and in a further third, they de facto perform many of these functions. Similarly, in over 80% of cases, local community groups participated in the formulation of the programme.
- A network programme for the **exchange of experience and best practice**, which builds in a systematic learning cycle.

URBAN cannot by itself resolve all the problems in this field, but it can act as a model for national policy and as a means of diffusing best practice.

URBAN: key characteristics

- URBAN is one of four Community Initiatives within the EU Structural Funds. The others are Interreg (cross-border, transnational and interregional cooperation), Leader+ (piloting sustainable development in rural areas) and Equal (tackling inequalities and discrimination in the labour market). The Community Initiatives share many common features, such as finance by just one Structural Fund, a strong focus on partnership and networks for exchange of experience.
- URBAN was launched in 1994, following a successful first wave of Urban Pilot Projects. URBAN I (1994-99) aimed to tackle social exclusion in 118 European cities and gave rise to active local participation and many successful projects.

- URBAN II (2001-2006) builds on this success, with several improvements (streamlined administration, the inclusion of small and medium sized cities in the programme, more transparent criteria for the selection of sites, a network programme for the exchange of experience).
- The 70 URBAN II programmes cover a population of some 2.2 million inhabitants, with an ERDF contribution of € 730 million and total investment of € 1600 million. Programmes deliver high concentration both in financial terms (aid per inhabitant) and territorial terms (aid per square kilometre) - aid per inhabitant per year is some 30% higher than for Objective 2.
- URBAN II sites were selected by Member States on the basis of objective socio-economic indicators reflecting criteria laid down in the guidelines as well as other factors, such as the quality of the programme proposed, a balanced distribution of programmes within the Member State and coherence with national and EU actions.
- The sites selected under URBAN II face many severe social and economic challenges. For example, unemployment and crime rates are both around twice the EU average. In addition, the proportion of immigrants is more than twice the figure for the cities participating in the Urban Audit. A final example is that the proportion of green spaces - an indicator of environment and amenity - is only half the average for urban areas in the EU.
- The programmes proposed under URBAN II give the highest priority to physical and environmental regeneration, which accounts for 40% of planned spending. The next two axes - social inclusion and entrepreneurship/employment - between them account for a further 42%. Other priorities, notably transport and the information society, share the rest, although they account for higher proportions in certain cases.
- Of the 70 programmes there are 31 inner city areas, 27 peripheral areas, 4 mixed areas and 8 entire cities. There seems to be no direct link between this typology and the priority given to different types of measure.
- The adoption of a short list of common indicators inspired by the Urban Audit for the monitoring and evaluation of programmes is an important condition for a more effective implementation.
- The setting up of programmes was relatively quick, especially compared to the mainstream of the Structural Funds. The simplification of procedures in URBAN II could serve as a model elsewhere.

Conclusions

The urban question is an increasing political priority in the European Union. On the one hand are the traditional challenges faced by European cities - two speed development within one city, the need to develop the urban economy in a sustainable way. Factors such as globalisation may well intensify these pressures. On the other hand, cities have a decisive role in economic growth, employment and competitiveness.

The approaches developed under URBAN and the other Community Initiatives have many potential lessons for the future of European Policy, including:

- The integrated approach, whereby social, environmental and economic measures are combined in a limited area to form a coherent response to the multi-faceted problems of the area.
- A focus on relatively small areas, which maximises impact, as well as value for money.
- The flexibility to select areas according to national needs and priorities, while at the same time resulting in areas which fit community criteria and have been selected in a transparent manner.
- Administrative simplification and flexibility, particularly the rationalisation of the Community contribution into one Fund with one set of procedures, while still covering the full range of measures.
- The strong focus on a local partnership, including local community groups. This builds local capacity, making the programmes more effective. It also promotes new European models of governance, bringing Europe closer to its citizens.

The added value of the URBAN Community Initiative will be further examined in the context of the evaluation of URBAN I (reporting in 2003). This information will be particularly useful in preparation of the Third Cohesion Report and the Commission's proposals for Cohesion Policy after 2006.

1. THE URBAN INITIATIVE IN THE STRUCTURAL FUNDS

1.1. Urban issues and Cohesion Policy

The urban question is fundamental to economic and social cohesion in Europe. In launching the debate on future priorities for economic and social cohesion, the European Commission (Second Cohesion Report, 2001)¹ stated that:

"The urban question... is at the heart of economic, social and territorial change. Cities are a key location for the pursuit of a strategy for cohesion and sustainable development"

Four key urban issues were identified in the Second Cohesion Report:

- disparities within individual cities (which are often greater than disparities between the regions of the EU)
- environmental pressures (particularly acute in cities)
- the role of cities as motors of growth for the region as a whole
- the potential role of small and medium-sized cities in achieving more balanced and polycentric development in Europe.

Similarly, the European Parliament in its resolution on URBAN II² *"stresses the need for an integrated approach to urban policy as currently this looks to be the only way to address economic, social and environmental problems in urban zones"*. A particular concern of the Parliament was that *"immigrants, refugees and ethnic minorities are often particularly affected by social exclusion"*.

Furthermore, the Committee of the Regions, in an opinion on the urban action framework³, underlined *"the decisive role of cities in the implementation of the EU's main objectives - economic and social cohesion, employment, competitiveness and environmental sustainability"*. This *"demonstrates the need for close involvement of local and regional authorities in all future policy formulation, and recognises that cities... should be true partners in the process"*.

Many of the Structural Funds programmes can be said to contribute in some way to at least one of the above issues. Although it is difficult to generalise, the following broad observations can be made:

¹ Reference in annex.

² Official Journal C 339 29.11.2000 pp.44-47.

³ Opinion of 3 June 1999, CdR 115/99 fin.

- Much of **Objective 1** spending takes place de facto in urban areas. Typically the urban approach within Objective 1 focuses on improving competitiveness, seeking to promote the role of towns and cities as motors of growth for a less developed region as a whole. However, some Objective 1 regions (eg Merseyside in the UK) have as their main characteristic urban deprivation.
- **Objective 2** has a dedicated urban strand, covering a population of just over 7 million. In addition, many urban areas are covered under the industrial strand of Objective 2. Measures under Objective 2 concentrate particularly on economic restructuring.
- Finally, training measures under **Objective 3** and **EQUAL** may impact deprived urban areas, especially where such measures concern social inclusion.

The **URBAN Community Initiative** is designed to make an additional contribution within this framework, focussing on the economic and social regeneration of cities and neighbourhoods in crisis (see also section 5 on added value):

- The areas selected are small pockets of (often severe) deprivation. The multi-faceted nature of urban deprivation necessitates an integrated approach, tackling each of the facets simultaneously, and this is facilitated by the small size of the areas.
- The measures have a particular focus on social inclusion and on regenerating the natural and physical environment. The nature of problems in urban areas means that such measures are often an essential precondition for the success of measures to promote entrepreneurship and employment.
- The implementation of URBAN is distinctive, building on a strong partnership at the local level.

1.2. **Origins of the URBAN initiative: Urban Pilot Projects and URBAN I**

The European Union has a longstanding commitment to tackling problems in urban areas. 33 Urban Pilot Projects - with an EU contribution of €101 million - were approved in the period 1989-1993. This was the first case where the ERDF explicitly supported innovative urban regeneration and planning activities. Innovation was also the key-word for a second wave of 26 Urban Pilot Projects launched in 1997 with an ERDF contribution of €63 million. These actions were conceived as a laboratory to test original ideas and innovative approaches to urban problems.

A specific URBAN Community Initiative was introduced for the period 1994-1999. This covered 118 sites in all 15 Member States and had a community contribution of some €950 million in 1999 prices (see Table 1 "URBAN I and URBAN II: key facts" in annex). Its objective was to tackle the problem of urban deprivation in a holistic way. In this way URBAN

consolidated the lessons learnt from innovations tested in the Urban Pilot Projects, paving the way for a more tailored approach to urban disparities within the mainstream of Structural Funds.

The final evaluation of URBAN I is currently underway and the results are expected in 2003. Some examples of measures and projects are set out in Box 1.

Box 1: URBAN I and the Urban Pilot Projects - examples of measures

- Physical and environmental regeneration. This included restoration of the historic town centre in Bari (Italy) dramatically improving safety in the town centre. Another example is the renovation of the Lasipalatsi, a rundown functionalist building in Helsinki, to provide a centre for media-related activities (such as internet access for immigrants, young people and the unemployed).
- Innovative ways of promoting entrepreneurship and employment, such as an employment bus disseminating employment and training information in Porto.
- Measures to promote social inclusion, such as the revitalisation of a local market and support to immigrant businesses in Vienna.
- Measures to promote the social inclusion of young people, such as a project to reduce school drop-outs and absenteeism in Barcelona and a sports facility run by local community groups in Marseille.

1.3. The scope of URBAN II

The second generation of programmes - URBAN II - runs from 2001-2006. With an ERDF allocation of €700 million in 1999 prices, it is broadly comparable in size and scope to URBAN I (see table 1 in annex). In fact, although the overall allocation is a little smaller, concentration on fewer programmes means that URBAN II has a higher ERDF intensity - both per inhabitant and per programme - than the first round. The key goals of URBAN II - urban regeneration with a particular focus on social inclusion, employment and entrepreneurship - are similar to those of URBAN I (see box on the priorities laid down in the Guidelines), although there have also been some new developments (see below).

A distinctive feature shared by URBAN I and II is a strong emphasis on **genuine partnership with local authorities and with the local community**. The significant role played by local authorities in day to day management (see below) is unique within the Structural Funds programmes. Similarly, over 80% of programmes were prepared in collaboration with local partners, including community groups.

Box 2: Priorities for action, as laid down in the URBAN II Guidelines⁴

- Mixed-use and environmentally friendly brownfield redevelopment⁵. This should be designed in such a way as to create employment, integrate local communities (including ethnic minorities), improve security and generally improve urban life.
- Support for entrepreneurship and employment.
- Integration of excluded persons and affordable access to public services.
- Developing more environmentally friendly and integrated public transport systems.
- Waste minimising and treatment, noise reduction and encouraging more efficient energy use.
- Developing the potential created by information society technologies in the economic, social and environmental sectors.

In selecting from these priorities, URBAN programmes must demonstrate a commitment to organisation change, participatory governance, empowerment and capacity building transferable into mainstream practice.

Although there is a high degree of continuity between URBAN I and II, there have been several developments. These changes reflect lessons learnt, as well as recommendations by the European Parliament and the Court of Auditors⁶:

- Inclusion of small and medium size cities. The URBAN I population limit of 100,000 for the city as a whole has been abolished. The only limit in URBAN II is at the level of the programme (the programme area must include at least 20,000 inhabitants - 10,000 in duly justified exceptional cases).
- Explicit criteria for the selection of sites (see section 3.1), laid down in the URBAN II Guidelines. This has resulted in a more transparent selection process (see section 3.2).
- The use of a single Fund to achieve significant administrative simplification. Previously, both the European Regional Development Fund (ERDF) and Social Fund intervened in URBAN areas, resulting in a duplication of procedures. URBAN II is only funded by the ERDF, halving the administrative effort involved in certain aspects, eg pay claims. However, this does not mean that Social Fund type measures - including training and other measures to tackle social exclusion - are excluded: URBAN II retains flexibility by allowing ERDF money to be

⁴ These priorities can be found for example in §12 and Annex I of the URBAN Guidelines, referenced in Annex I.

⁵ However, the renovation of housing is specifically excluded.

⁶ See Annex I for references.

spent on ESF type measures (and more rarely on measures which would be covered by the other Structural Funds).

- The use and development of the Urban Audit as a systematic source of information.⁷ In addition, there have been improvements in terms of consistent, quality monitoring, in that a common set of indicators has now been established (see section 5.3).
- Strengthening of the ex ante appraisals.
- A networking programme to promote the exchange of best practice in the urban environment.

1.4. Financing

Financial assistance may be granted for up to 75% of the total cost in Objective 1 regions and up to 50% in other regions. For the period 2001-2006, the Commission drew up a financial allocation by Member State (see table 2 in annex) in proportion to three objective indicators⁸:

- Urban population in the Member State
- Unemployment in urban areas
- Long-term unemployment in urban areas

After negotiations with the Member States, the number of programmes was set at 70. This took account of national contributions and the need for financial concentration. This total was divided between Member States in proportion to the total money available in each.

The relatively small areas and population covered by URBAN II enable a high aid intensity - 30% higher than Objective 2 in terms of aid per inhabitant per year⁹. The figures are more striking when one considers the relatively small geographical areas covered by URBAN II, with the result that aid per km² is broadly speaking 3 times that of the urban strand of Objective 2. This last point has an interesting implication: although the Community contribution per inhabitant is the single most useful way of measuring aid intensity, a high level of funding per km² has important

⁷ The Urban Audit, edited by the Commission in the year 2000, takes stock of quality of life in 58 European cities. A broad range of socio-economic indicators were collected - including themes such as participation in civic life, teaching and training, environment, culture and leisure.

⁸ Since the resultant allocation for Luxembourg was relatively small, the national authorities asked for the money to be transferred to the Luxembourg INTERREG programme. The Commission agreed to this request.

⁹ However, this figure needs to be seen in the context of the greater scale and coverage of Objective 2, of which the urban strand alone is spending €2193 million in the period 2000-2006 and concerns some 7 million inhabitants, ie it is broadly 3 times the scale of URBAN II.

consequences in terms of the impact on local planning and regeneration of urban land.

The programmes are therefore characterised by medium to high aid intensity per capita, rendered much more effective and visible by the smallness of the areas. Both the small size and high aid intensity enable an integrated and co-ordinated approach to the many different facets of deprivation which combine in urban blackspots. This integrated approach is an important aim of the URBAN initiative.

2. SELECTION OF SITES

2.1. The framework for selection

- **Decentralised decision making.** Each Member State selected its own sites from the quota set by the Commission. In addition, Member States made the financial allocation between sites. This was in keeping with the principle of subsidiarity and to allow for the fact that the nature of urban problems varies considerably between countries.
- **A common Community framework.** However, to maintain coherence and effectiveness, the Commission established guidelines for selection and for allocation of funding. To ensure viability each area had to have a minimum of 20,000 inhabitants (although in duly justified cases this could be reduced to 10,000). In addition, the financial allocation had to be sufficient to ensure for each programme a minimum aid intensity of €500 per head over the period of the programme.
- **Objective Criteria.** To be eligible, urban areas had to fulfil at least three of nine criteria, thus ensuring that the URBAN area selected were those in most need, facing multiple deprivation rather than having a bad score on one indicator only. The nine criteria were:
 - High long-term unemployment
 - Low rate of economic activity
 - High level of poverty and exclusion
 - The need for structural adjustment due to economic and social difficulties
 - High proportion of immigrants, ethnic minorities or refugees
 - Low level of education, major gaps in terms of qualifications and a high rate of pupil failure
 - High level of criminality and delinquency
 - Unstable demographic development
 - Particularly poor environmental conditions

The rationale of this decentralised approach was twofold. On the one hand, it respected the principle of subsidiarity and recognised that urban problems can vary considerably from one country to another. On the other hand, it maintained coherence at the EU level, including the use of an agreed set of objective criteria.

2.2. Selection process within the Member States

The selection processes adopted by the national authorities varied from Member State to Member State, but one of the most positive features was the transparency of the process. Typically, the selection started with either a competition/call for submissions, (eg France, Italy and Greece) or a statistical analysis based on the indicators laid down in the guidelines (eg Netherlands, Denmark, Portugal).

In selecting URBAN II sites, four recurrent criteria can be identified:

- **Transparent socio-economic indicators.** All the Member States relied heavily on socio-economic indicators reflecting some or all of the criteria laid down the Guidelines. In most cases, this took the form of a formal statistical analysis to select areas scoring highest using these criteria. In some cases, an independent body or expert checked that areas proposed met a minimum level of consistency with the criteria from the Guidelines. Member States often combined this analysis with other socio-economic indicators, reflecting national priorities.
- **Assessments of the quality of programmes proposed** and the financial capacity of the managing authority were quite common. These assessments included features such as perceived capacity to generate innovative projects.
- **Territorial balance** was also a common consideration. For example Belgium assigned one programme each to Brussels, Flanders and Wallonia and each region then managed a selection process. Germany organised a national competition, but effectively set a maximum of one programme per Land.
- **Coherence with national or EU actions.** Some countries (notably France and Sweden) selected areas already covered by national regeneration programmes. In Brussels, the programme fills a need in part of the Objective 2 area and therefore complements the Objective 2 programme. Conversely, Finland restricted choices to areas not already covered by mainstream Structural Funds programmes.

2.3. Location of URBAN II programmes

Most of the URBAN II sites are new and were not proposed under URBAN I (see map in annex). However, there are some exceptions to this rule:

- Clichy-sous-Bois/Montfermeil, Bastia and Val de Seine in France as well as Lisbon in Portugal. In each case the URBAN II area completely includes the old URBAN I area.
- Helsinki-Vantaa in Finland and Kiel in Germany, where there is a significant overlap between the current and previous sites.
- Graz in Austria, where there is a very small overlap between the two sites.

In all of these cases except Bastia, the managing authority remains the same. They have therefore had an opportunity to learn the lessons from URBAN I and apply them in URBAN II. A similar opportunity exists where there is no overlap, but where the same city has had both URBAN I and II. Examples of this are numerous, but include Brussels, Porto and Genova (in all three cases, URBAN I and II are in adjacent areas), Bordeaux (where URBAN II takes over from an Urban Pilot Project), Bristol, Rotterdam and Vienna.

An interesting observation is the overlap with Objectives 1 and 2 (see table below and table 3 in annex). Broadly speaking, URBAN II sites are evenly split between Objective 1 areas, Objective 2 areas and areas outside the mainstream Objectives. This is in sharp contrast with URBAN I, where the majority of the programmes were covered by Objective 1 and only one sixth of the programmes did not coincide with the mainstream. One explanation for the difference is that URBAN I had a prefixed quota for Objective 1 areas, whereas URBAN II had no such constraint.

Overlap with the mainstream Structural Funds: number and proportion of programmes covered by different Objectives

	URBAN I	URBAN II
Objective 1 (or 6)	56% (66 programmes)	39% (27 programmes)
Objective 2 (or 5b)	28% (33)	27% (19)
Outside the mainstream Objectives	17% (20)	34% (24)

2.4. Socio-economic characteristics of the sites selected

URBAN II covers a population of some 2,156,000. The programme areas can be divided into three broad categories (see table 3):

- **Inner city**, ie falling within the city centre or the inner ring of dense housing, often dating from the 19th century. Inner city areas are the most common type within URBAN II - 31 out of the 70 programme areas can be classified in this way and just under a million people (so nearly half the URBAN population) live there.

- **Peripheral** and suburban neighbourhoods. This category is also very common within URBAN II, concerning 27 areas and around 800,000 people.
- **Small cities**, where URBAN covers all or most of the city and it does not make sense to divide the inner city from the periphery. This is the smallest category, concerning 8 programmes and 240,000 people.

In addition, four programmes were a deliberate **mix of inner city and peripheral** neighbourhoods, in an attempt to improve linkages between these two types of area.

URBAN sites are relatively small in Structural Funds terms. The largest programme (Hetton and Merton in the UK) covers an area of 60km² and the smallest (Orense in Spain) is 0.5 km². The most populous programme (in Amsterdam) contains 62,000 inhabitants, while the least populous (Amadora in Portugal) just over 10,000. However, as noted elsewhere, aid intensity is relatively high - aid per inhabitant per year is 30% higher than for Objective 2.

The first notable observation is the scale of **unemployment** in URBAN areas. On average some 17% of the population in URBAN II areas is unemployed, compared to around 8% for the EU as a whole in the same period. Out of 66 URBAN programmes reporting unemployment rates, only 8 (mainly from the UK) fall below the EU average. And, of these eight, five are above the relevant national average, so have high unemployment in the national context. At the other extreme, Mola di Bari in Italy reports an unemployment rate of 50% and 16 out of 66 areas report a rate of 25% or more.

Ethnic minorities, immigrants and refugees account for nearly 14% of the population of URBAN areas. This is around four times the figure for the EU as a whole (where only 3.5% of the population is from outside the EU) and more than double the figure for cities covered by the Urban Audit (6%).

Reported **crime** is a significant problem in URBAN areas, running on average at nearly twice the rate for the EU as a whole (over 100 offences per year per 1,000 inhabitants, as opposed to 55 for the EU as a whole). The true picture in URBAN areas is probably worse, since areas with high exclusion are those where confidence in the police is lowest (and therefore under-reporting of crime most common). Crime is not just distressing to its victims, but can also contribute to the spiral of decline in an area as businesses and individuals (particularly the more affluent and entrepreneurial) leave.

The **age structure** of URBAN areas in terms of old people over 60 (18% of the population) and young people under 16 (18% again) is very similar to that for the EU as a whole. However the age structure is slightly different to what one would expect in town - the figures from the cities sampled in the Urban Audit are 16.4% for over 60s and 17.1% for young people.

Finally, there are fewer **green spaces** in URBAN areas. These account for some 10.5% of total surface area, only half the figure of 20.5% for cities participating in the Urban Audit. This lack of amenity is just one example of the broader environmental problems which URBAN areas face.

These results are confirmed by the SWOT analyses provided in the programmes. Unemployment and poverty were considered the two most widespread challenges, being rated as a significant weakness or threat in almost all cases. In fact, most of the SWOT analyses gave the highest prominence to one or both of these factors. However, several other factors - including economic change, low education levels, a run down environment, high crime and a high presence of ethnic minorities - were also cited as challenges in most cases.

3. OVERVIEW OF THE PROGRAMMES

From the URBAN Guidelines date of 28 April 2000, Member States had 6 months to prepare and submit programmes. In the event, for a number of reasons, including delays arising from arranging competitions for selection and extensive consultation of local partners, although some programmes arrived on time, many did not. Some arrived as late as June 2001 (notably the UK and Portuguese programmes).

However, all the URBAN II programmes were adopted before the end of 2001. This necessitated a considerable effort and adoption times were noticeably more rapid than for other Structural Funds programmes (see table 4). For example, only 5 URBAN programmes (7% of the total) took longer than a year. This compares favourably with the 24% of Objective 1 programmes and 24% of Objective 2 programmes which exceeded this time.

One explanation for this positive result may be the relative simplicity of URBAN programmes and procedures. Another possible factor is the creation of a single dedicated unit for URBAN II within the European Commission. This promoted knowledge specific to urban regeneration issues within the Commission. It also responded to criticisms levelled at URBAN I by the Court of Auditors - an excessive number of officers dealing with programmes and a high level of staff turnover.

The period between the receipt of the programmes and their eventual adoption by the Commission was used by the Commission to seek a number of improvements. Among the more common changes made were the following:

- Amendments to bring the priorities more closely into line with community policies, including competition policy, policies relating to the environment, equal opportunities, the information society.
- Changes to achieve greater co-ordination with mainstream structural funds programmes on the same area and to comply with the eligibility rules.

- The introduction of common socio-economic area indicators and of common programme performance indicators.

3.1. Content of the programmes

Of the priorities laid down in the Guidelines, a clear division emerges between the top three spending priorities of physical and environmental regeneration, social inclusion and entrepreneurship/employment, which between them account for 80% of planned spending, and the other axes (see table 8):

- Physical and environmental regeneration ("environmentally friendly brownfield redevelopment") accounts for 40% of planned spending. It is at its highest as a proportion of the total in Austria (59%), lowest in Finland and Sweden (0%).
- Social inclusion accounts for 21% of planned spending. It is highest in Finland (47%), lowest in Austria (3%).
- Entrepreneurship and employment accounts for 21% of planned spending. It is highest in Sweden (71%), lowest in Ireland (7%).
- Transport accounts for 8% of planned spending. Highest in the Netherlands (18%) and lowest in Ireland, Portugal, Finland and Sweden (0%).
- Information and Communication Technology accounts for 4% of planned spending. Highest in Finland (16%), lowest in Portugal and Sweden (0%).

There is no significant variation in proposed spending patterns between inner city and peripheral areas. However, where the whole city is covered by URBAN, there is a slight tendency to reduce spending on physical regeneration (down to 34% as against 40% for URBAN II in general) and to increase spending in other areas proportionately.

Similarly, there are few systematic differences between small, medium and large cities. The notable exception is that large cities are proposing to spend 7% of total funds on ICT, while small cities propose only 2% (and medium sized cities only 3%).

3.2. Examples of projects by spending priority

Pescara in Italy provides an example of a **physical and environmental regeneration** project. There is a large zone of derelict land around a railway. This will be regenerated into parkland, with the planting of trees, and a tunnel will be dug under the railway. Another example is in Mola di Bari, where sewage has polluted the shoreline. A treatment plant will be created and the shoreline renovated, thus promoting both tourism and the quality of the natural environment.

Many programmes provide for the construction or renovation of buildings¹⁰ and public spaces (roads, squares). These actions aim to promote economic activities (commerce, services, tourism) and improve the quality of life for locals. Many of the French programmes are an example of this, putting a strong emphasis on the quality of architecture and the built environment.

An example of **social inclusion** is Bristol in the UK, where the programme focuses on measures to get young people off drugs, out of crime and into jobs. An innovative feature is the integration of young people in planning and implementing the programme. With appropriate mentoring, they have helped prepare project appraisal mechanisms, and they are involved in the project selection process.

A major project in Berlin is the refurbishment of a school auditorium to serve both as a centre for cultural events, as well as a meeting point for the local inhabitants. Other examples of projects include: Val de Seine, where there are projects to improve the training of immigrant women; Dublin, where much of the programme revolves around a youth centre.

The Clyde Urban Waterfront Programme in the UK furnishes an example of actions to promote **entrepreneurship and employment**. The collapse of the shipbuilding industry on which this area depended has left high unemployment. In many families, several generations are unemployed. This means that in many cases young people do not just lack formal skills, but also lack role models for how to cope in the world of work. The programme therefore has a two-pronged approach, seeking to improve both skills and participation. This blending of measures, so that even employment and entrepreneurship has a social inclusion aspect, is a common feature in URBAN II.

Heerlen in the Netherlands provides an example of a significant project in the field of **transport**. The station is considered a crime hotspot, unattractive and badly linked to other forms of transport. Links are being improved to other modes - bus, tram, car and bicycle - to make the station a multi-modal transport node. For safety, the physical layout is being changed and lighting improved. In addition, the increase in people and services present will reduce the potential for crime.

Despite relatively modest spending, **Information and Communication Technology** is often an essential component of training programmes. Brussels is an example of a programme with a strong ICT focus, since over a quarter of spending is consecrated to ICT training and the development of multimedia poles.

¹⁰

With the exception of housing, which is excluded by the URBAN Guidelines.

3.3. Management and Partnership

As noted above, one of the distinguishing features of URBAN II vis-à-vis the other Structural Funds is the degree to which management is decentralised to the local authorities. Of the 70 programmes, fully one third of them - 23 cases - have a city council as the managing authority. Examples of this are the Italian, Dutch, Austrian, Finnish and Irish programmes, as well as most of the French programmes. For France and Italy, this is more decentralised than URBAN I, where the national authorities (or their local representatives) used to be responsible for programming in all cases.

Moreover, for something like a further third of the programmes, the local authority is the key player in partnership with central government. For example, in the English regions, although the managing authority is a central government department, day to day responsibility has been devolved to its regional offices; furthermore, local councils have accepted the role of "accountable body" and are responsible for financial management and project appraisal within broad parameters laid down by central government. In Spain and Greece similar relationships exist between the Ministry of Finance and the municipalities.

Finally, in most of the remaining programmes, the city council plays a full role in the monitoring committee. This is the case for example in Germany, where the managing authorities are the Länder, as well as in Portugal, where the national authorities take the lead. In many cases, not only is the relevant local authority represented, but also the national association of local authorities.

For partnership, 57 out of the 70 programmes (so over 80%) extensively consulted local partners in the drafting of the programme document. However this effort must be maintained and deepened over the coming years (see also point 5.2).

4. ADDED VALUE OF URBAN II

Since the programmes are only just starting, it is too early to pronounce definitively on most issues. The subject of added value will be examined in greater depth later in the evaluations. Nevertheless, the following points are emerging and will be monitored as the programmes develop.

4.1. Achievement of Community objectives

Although relatively modest in terms of overall spending, URBAN II contributes to several community priorities. There are two sides to this. First, URBAN spending covers some of the most needy neighbourhoods in the EU. Secondly, URBAN has a distinctive profile vis-à-vis the other Structural Funds (see table 5) with a considerably higher proportion of spending devoted to physical and environmental regeneration and to social inclusion:

- Social cohesion. URBAN areas perform poorly on many economic and social indicators, reflecting the observation in the Urban Audit that disparities within a single city are often greater than the worst disparities between cities across the EU. Training is essential, but must be accompanied by URBAN's strong focus on social inclusion measures, such as language training or building the capacity of local community groups to enable them to deliver training.
- Competitiveness and economic cohesion. There are many barriers to economic regeneration and development in URBAN areas, including a lack of entrepreneurship and high crime. URBAN's integrated approach is specifically designed to tackle these barriers, reversing the cycle of decline and helping the area towards competing on an equal footing with other areas.
- Environmental regeneration. As noted above, environmental conditions in URBAN II areas are often significantly worse than elsewhere, with green areas accounting for around half the average for EU urban areas more generally. 40% of planned spending will go to physical and environmental regeneration. This includes measures to improve the quality of the built environment and the architectural heritage. In addition, a significant proportion of the 8% of the spending planned for transport is going on cycle paths and other environmentally friendly forms of urban transport.
- Information and Communication Technologies. Low education and employment levels mean that URBAN areas start at a disadvantage in this field. URBAN II is providing basic ICT training with local and small scale delivery, often through libraries or local and community groups, to minimise "barriers to entry".

Finally, one of the goals of URBAN II is to encourage local partners to try innovations in urban regeneration, as well as transferring interesting experiences from elsewhere. All of the programmes report at least one such measure, the five most common fields being: the environment; urban governance; renovation; ICT and research; citizen participation.

Box 3: Examples of projects of Community interest

Komotini in Northern Greece has a high proportion of minorities, including Muslims, Pontus Greeks (ie returning from countries such as the former Soviet Union), Pomaks and Gypsies. As a precondition for boosting employability, the programme has a strong emphasis on social inclusion measures, including basic Greek literacy.

Århus in Denmark also has high levels of ethnic minorities and exclusion. The programme is building on a strong local sense of community by promoting a citizen's forum, enabling locals to deal with local problems on a self-help basis, as well as promoting their social and political inclusion in the wider community.

The Pamplona programme in Northern Spain is promoting the small restaurant and bed & breakfast businesses specifically for unemployed women, enabling them to reconcile private and professional life. Similarly, unemployed people are being trained in the environmental and social fields.

The URBAN programme of Bastia in Corsica includes the historic centre. The programme includes training in the repair and renovation of old buildings, thus at a stroke restoring lost expertise, creating jobs and restoring historic monuments.

The Luckenwalde programme in Eastern Germany has a strong emphasis on environmental measures, including biotechnology training, in co-operation with a local biotechnology park, a "1000 trees" project and a network to combine train, bicycle and skating/rollerblading "Rail-ride-roll".

An interesting example of innovation in the environmental field is in Antwerp, where derelict industrial sites are being renovated into green spaces and a business park for ICT and environmental firms. The innovative feature is that the land is being reclaimed in a biological way, with specific plants being used to clear the soil of heavy metals.

4.2. Leverage effect

By **concentration** on relatively small areas, URBAN achieves a high aid intensity in terms of both spending per inhabitant and per km². By focussing the programmes, a sufficient intensity of financing is achieved to tackle the most severe of the different facets of deprivation which URBAN areas face.

Public sector leverage. URBAN II has mobilised total investments - from national, regional, local and private sources - representing more than double ERDF resources (see tables 2 and 8). This result is even more interesting when one considers that these areas are characterised by a greater concentration of problems than normally found in Objective 1 and 2 areas.

Private sector leverage. For the 35 programmes reporting the private sector contribution, it amounts to some 8% of programme funding. Although this is lower than for Objectives 1 and 2, it is still substantial, since by their very

nature URBAN II areas find it difficult to attract private investment. In addition, some 20% of planned spending concerns assistance to entrepreneurship and employment, which is also likely to have a substantial leverage effect in the longer term.

4.3. Implementation

As with the other Community Initiatives, some of the most interesting aspects of URBAN are found in the implementation system:

- Strong local **partnership** is arguably one of the best sources of added value. Not only does this make the programmes more effective and better targeted on local needs, it also contributes to the long term development of URBAN areas: once in place a local partnership has the potential to play other roles in promoting local development, eg improving local strategic planning, finding new ways to deliver local spending, promoting private sector investment. Finally, the strong partnership with the local level promotes the European model of governance and the involvement of civil society.
- **Selection** of sites by Member States, on the basis of Commission financial allocations and guidelines, strikes a good balance between the need to preserve the spirit of the Community Initiatives and the flexibility to adapt to a wide range of different socio-economic circumstances.
- The adoption of a short list of common **indicators** to underpin the monitoring and evaluation of programmes represents another step towards simplification and efficiency. These indicators give a more quantified picture of the state of play in each of the 70 programmes. Updates over the lifetime of the programme will allow an overview of changes in different sectors and progress achieved.
- Administrative simplicity, including the monofund approach, avoiding parallel payment procedures.

4.4. Co-operation and networking

98% of URBAN II money goes on urban regeneration in the 70 sites selected. Nevertheless 2% of spending is reserved for horizontal measures:

- Promotion, via the launch of a new phase of the Urban Audit, deeper knowledge of the situation in European cities. This lays the foundation for a culture of urban indicators and statistics which should progressively inform Structural Funds actions in cities. Furthermore, monitoring and evaluation of all URBAN II programmes will be based on a common list of socio-economic indicators inspired by the Urban Audit.
- Exchange of experience between cities benefiting from URBAN, structured for the first time as a community programme. National authorities and other bodies playing a role in urban development will have

various responsibilities in the conception and management of the programme.

5. CONCLUSIONS

According to the socio-economic data presented above, URBAN II areas are among the most deprived neighbourhoods in the European Union. Challenges such as unemployment, poverty, crime and immigration have combined to produce problems which cannot be resolved without a co-ordinated approach, tackling each of them. For example, attracting business requires action to reduce high rates of crime and dereliction, while promoting entrepreneurship and employment necessitates measures to tackle social exclusion.

URBAN makes a unique and valuable contribution to these issues, promoting both social and economic cohesion in parallel and removing barriers to employability and investment. This integrated approach is made possible by concentrating on the very worst areas and selecting small sites. However, the severity of the problems faced by URBAN areas and the links between them mean that removing these barriers is a long term project.

The decentralised method of implementation is in itself one of the strongest features of URBAN:

- Indirect zoning has been a success. On the one hand, Member States have had the flexibility to select areas according to national and local needs and priorities. On the other hand, the resultant selection was tightly targeted on the worst affected areas and used a common and transparent set of criteria across the EU. One of the reasons that indirect zoning has not resulted in a dissipation of funding is the setting of a minimum limit of €500/inhabitant.
- There is a high degree of partnership with local authorities and local community groups, with specific measures to develop the capacity of the latter. Once such a partnership is formed and mobilised, it has benefits beyond the URBAN programme and can contribute to local development more generally. Partnership and citizen involvement has been a key factor in the success of all the Community Initiatives.

Although other Structural Funds programmes also make a significant contribution to the needs of urban areas, URBAN is distinguished by features such as tight targeting on small areas, the integrated approach and the strength of local partnership. Within Objectives 1 and 2 this makes it an ideal complement to the measures pursued under the mainstream.

In addition, URBAN has an important role outside Objective 1 and 2 areas:

- In tackling blackspots which can have severe problems but cover too small an area to be picked up by the mainstream programmes. In fact, URBAN areas located outside the areas covered by the mainstream

programmes perform particularly badly - and significantly worse than other URBAN areas - in terms of indicators such as immigration and crime (see table 6).

- In addition, the profile of these blackspots - high unemployment and strong multi-faceted deprivation as measured by other, social indicators - lends itself more to URBAN than to Objective 2.
- As in all URBAN areas, the new partnerships formed will have a positive impact on local planning, as well as building capacity and contributing to innovative European models of governance.
- Maintaining an URBAN presence outside Objective 1 and 2 areas maximises the pool of experience available for exchange in the network programme. Similarly, it widens the audience for the demonstration effects.
- There is a different spending pattern outside Objective 1 and 2 (see table 7), with less going on physical and environmental regeneration and more on Information and Communication Technology, entrepreneurship and employment.

The URBAN approach has several advantages which could serve as an inspiration for the future of Cohesion Policy at the European level:

- The integrated approach, combining social inclusion and training with physical and environmental regeneration measures, thus accompanying measures to boost competitiveness, entrepreneurship and employment.
- Measures to promote the integration of immigrants. URBAN areas are by their very nature a strategic location for pursuing such measures, which are of community interest and could even be reinforced in the future.
- Targeting on small areas. This enables high funding intensity, an integrated approach to the various problems faced by the area and promotes strong value for money.
- Strong focus on a local partnership. This builds local capacity, making the programmes more effective and bringing Europe closer to its citizens. This could be taken further in the next period, building on current experience.
- Indirect zoning. This represents "open co-ordination" rather than a more centralised approach and the resultant URBAN sites satisfy both national and community criteria.
- Administrative simplifications, particularly the monofund approach and the relatively simple programme structure.
- The programme for networking and exchange of experience, which builds a systematic cycle of learning into the process.

The question for the future is whether URBAN should continue and, if so, in what form. Should the scope of URBAN be expanded, eg in terms of the range of problems tackled, the range of measures possible or the size of area covered?

ANNEX I: FURTHER READING

"Special Report No. 1/2001 concerning the URBAN Community Initiative, together with the Commission's replies", Court of Auditors (2001)

"Guidelines for a Community Initiative concerning economic and social regeneration of cities and of neighbourhoods in crisis in order to promote sustainable urban development: URBAN II", European Commission (2000) Communication C(2000)1100

"The Urban Audit", European Commission (2000)

"The results of the programming of the Structural Funds for 2000-2006 (Objective 1)", European Commission (2001) Communication Com(2001)378 final

"Unity, solidarity, diversity for Europe, its people and its territory - Second Report on Economic and Social Cohesion", European Commission (2001)

"Persistent income poverty and social exclusion in the European Union", Eurostat (2000), Statistics in Focus, theme 3, 13/2000

ANNEX II: GLOSSARY OF TERMS

The Community Initiatives

These are aid or action programmes set up to complement Structural Fund operations in specific problem areas. Community initiatives are drawn up by the Commission and coordinated and implemented under national control. They absorb 5.35% of the budget of the Structural Funds.

- Urban II concentrates its support on innovative strategies to regenerate cities and declining urban areas (financed by the ERDF)
- Interreg III promotes cross-border, transnational and interregional cooperation, i.e. the creation of partnerships across borders to encourage the balanced development of multi-regional areas (financed by the ERDF).
- Leader+ promotes pilot integrated strategies for sustainable development in rural areas, drawn up and implemented by local partnerships. (financed by the EAGGF Guidance Section).
- Equal seeks to eliminate the factors leading to inequalities and discrimination in the labour market (financed by the ESF).

The key common implementation features of the Community Initiatives are:

- Administrative simplification, in that they are financed by one Fund only
- A strong emphasis on partnership
- Networks for the exchange of experience

Community Support Frameworks:

The Community support frameworks (CSFs) coordinate EU regional activities, occasionally involving the four Structural Funds (ERDF, ESF, EAGGF, FIFG) and the EIB. In each case, however, the projects must be incorporated into plans already developed by national authorities, regional authorities and their economic partners.

Economic and social cohesion:

The origins of economic and social cohesion go back to the Treaty of Rome where a reference is made in the preamble to reducing disparities in development between the regions. However, it was not until the seventies that Community action was taken to coordinate the national instruments and provide additional financial resources. Subsequently these measures proved inadequate given the situation in the Community where the establishment of the internal market, contrary to forecasts, had failed to even out the differences between regions.

With the adoption of the Single European Act in 1986, economic and social cohesion proper was made an objective, as well as the single market. In the preparation of economic and monetary union, this provided a legal basis from 1988 onwards for Community action to become the central pillar of a comprehensive development policy.

The Maastricht Treaty finally incorporated the policy into the Treaty establishing the European Community (Articles 130a to 130e, now renumbered 158 to 162). It is an expression of solidarity between the Member States and regions of the European Union. This means balanced and sustainable development, reducing structural disparities between regions and countries and promoting equal opportunities for all individuals. In practical terms it is achieved by means of a variety of financing operations, principally through the Structural Funds.

Every three years the European Commission must present a report on progress made in achieving economic and social cohesion and on how the various means provided for in the Treaty have contributed to it.

The future of economic and social cohesion was one of the major issues discussed in the Commission's Agenda 2000 communication (presented on 15 July 1997), largely because of the financial implications. It has been the Community's second largest budget item from 1994 to 1999 (around 35% of the budget). Its importance was confirmed in the financial perspective 2000-2006.

With enlargement looking set to bring in countries with national incomes well below the Community average, the Community structural policy was reformed in 1999 in order to improve its effectiveness and its budgetary allocation has been increased from EUR 208 billion to EUR 213 billion for 2000-2006.

Equal opportunities:

Two key elements of the general principle of equal opportunities are the ban on discrimination on grounds of nationality (Article 12 of the EC Treaty, formerly Article 6) and equal pay for men and women (Article 141 of the EC Treaty, formerly Article 119). It is intended to apply to all fields, particularly economic, social, cultural and family life.

The Treaty of Amsterdam added a new Article 13 to the Treaty, reinforcing the principle of non-discrimination, which is closely linked to equal opportunities. Under this new Article, the Council has the power to take appropriate action to combat discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation.

European Regional Development Fund (ERDF):

The ERDF is intended to help reduce imbalances between regions of the Community. The Fund was set up in 1975 and grants financial assistance for development projects in the poorer regions. In terms of financial resources, the ERDF is by far the largest of the EU's Structural Funds.

European Social Fund (ESF):

Established in 1960, the ESF is the main instrument of Community social policy. It provides financial assistance for vocational training, retraining and job-creation schemes. Around 75% of the funding approved goes towards combating youth unemployment. With the increase in budget resources under the Delors II package, changes were made in the Social Fund and the focus moved to the new goals of improving the functioning of the labour markets and helping to reintegrate unemployed people into working life. Further action will tackle equal opportunities, helping workers adapt to industrial change and changes in production systems

Managing authority:

It means any public or private authority or body at national, regional or local level designated by the Member State, or the Member State when it is itself carrying out this function, to manage assistance from the Structural Funds. If the Member State designates a managing authority other than itself, it shall determine all the modalities of its relationship with the managing authority and of the latter's relationship with the Commission. If the Member State so decides, the managing authority may be the same body as the paying authority for the assistance concerned.

Partnership:

One of the Structural Funds' principles which implies the closest possible cooperation between the Commission and the appropriate authorities at national, regional or local level in each Member State from the preparatory stage to implementation of the measures.

Structural Funds:

The EU's Structural Funds are administered by the Commission to finance Community structural aid. They comprise the Guidance Section of the EAGGF for structural adjustment in agriculture and for rural development, the Regional Development Fund for structural aid under regional policy, the Social Fund for social policy measures, and the Financial Instrument for Fisheries (FIFG). Financial support from the Structural Funds mainly goes to the poorer regions to strengthen the Union's economic and social cohesion so that the challenges of the single market can be met right across the EU.

Sustainable development:

The concept of sustainable development refers to a form of economic growth which satisfies society's needs in terms of well-being in the short, medium and - above all - long terms. It is founded on the assumption that development must meet today's needs without jeopardising the prospects of future generations. In practical terms, it means creating the conditions for long-term economic development with due respect for the environment. The Copenhagen world summit for sustainable development (March 1995) stressed in addition the need to combat social exclusion and protect public health.

The Treaty of Amsterdam enshrined the concept of "sustainable development" as one of the European Union's objectives.

ANNEX III: TABLES

Table 1 URBAN I and URBAN II: key facts

	URBAN I	URBAN II
Number of eligible areas	118	70
Eligible population	3.2 million	2.2 million
Largest programme (inhabitants)	Vienna (130,000)	Amsterdam (62,000)
Smallest programme	Bari (8,000)	Amadora (10,000)
ERDF contribution	€953 million (1999 prices ¹)	€700 million (1999 prices)
Average ERDF/programme	€8.1 million	€10 million
Average ERDF/inhabitant	€300	€320
Total investment	€1800 million (current prices)	€1580 million (current prices)
Total investment/inhabitant	€560	€720

- (1) For the sake of comparison, the URBAN I ERDF contribution has been converted to 1999 prices using the standard deflators for the Commission budget. The resultant figure is indicative only.

Table 2 URBAN II financial data by Member State

Country	Number of programmes	ERDF allocation (€, current prices)	Total Funding (€, current prices)	ERDF per programme (average)	Total Funding per programme
B	3	21.200.000	53.801.000	7.066.667	17.933.667
DK	1	5.300.000	12.031.000	5.300.000	12.031.000
D	12	148.700.000	273.300.000	12.391.667	22.775.000
EL	3	25.500.000	37.377.000	8.500.000	12.459.000
E	10	112.600.000	179.973.000	11.260.000	17.997.300
F	9	102.000.000	283.609.000	11.333.333	31.512.111
IRL	1	5.300.000	11.420.000	5.300.000	11.420.000
I	10	114.800.000	264.398.000	11.480.000	26.439.800
L					
NL	3	29.800.000	87.078.000	9.933.333	29.026.000
A	2	8.400.000	36.459.000	4.200.000	18.229.500
P	3	19.200.000	29.592.000	6.400.000	9.864.000
FIN	1	5.300.000	22.500.000	5.300.000	22.500.000
S	1	5.300.000	16.000.000	5.300.000	16.000.000
UK	11	124.300.000	271.921.000	11.300.000	24.720.091
EU15	70	727.700.000	1.579.459.000	10.395.714	22.563.700

Table 3 URBAN II areas by type

Type of Neighbourhood	Number	%	Population	%
Inner city	31	44%	994.000	46%
Peripheral	27	39%	810.000	38%
Whole city	8	11%	239.000	11%
Mixed (inner and peripheral)	4	6%	113.000	5%

Type of City	Number	%	Population	%
Large city (>250.000 inhab.)	27	39%	874.000	41%
Medium city	31	44%	945.000	44%
Small city (<50.000)	12	17%	337.000	16%

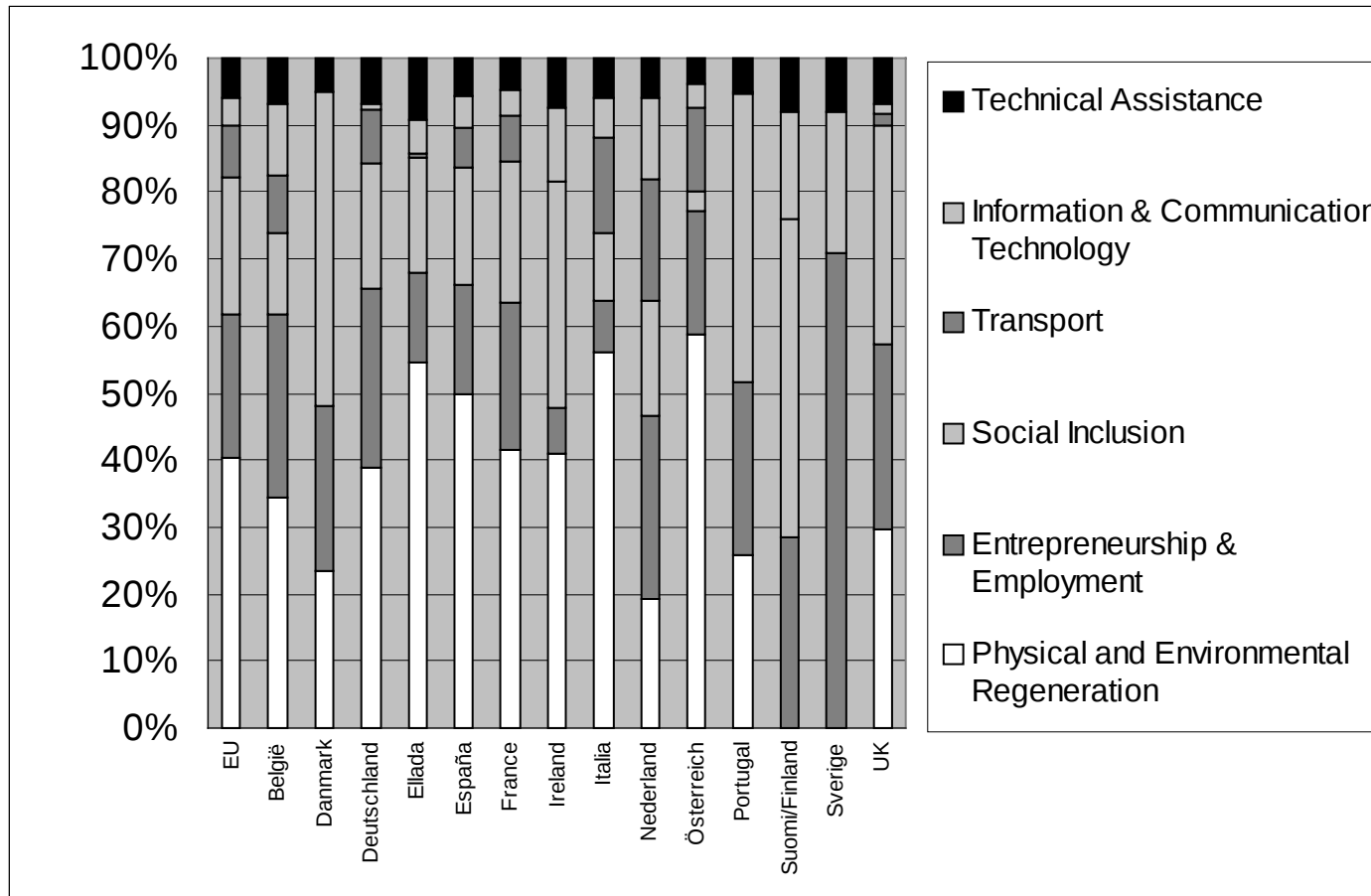
Overlap with Objective 1 or 2	Number	%	Population	%
Obj. 1	21	30%	575.000	27%
Obj 1 phasing out	6	9%	134.000	6%
Total Objective 1	27	39%	709.000	33%
Obj. 2	12	17%	355.000	16%
Obj 2 phasing out	1	1%	33.000	2%
Partially Obj 2	6	9%	186.000	9%
Total Objective 2	19	27%	573.000	27%
<i>Outside Objectives 1 and 2</i>	<i>24</i>	<i>34%</i>	<i>874.000</i>	<i>41%</i>

Table 4 Rate of adoption of URBAN II and Objective 1 and 2 programmes

Time elapsed between official receipt and final adoption	URBAN II		Objective1		Objective 2	
	No.	%	No.	%	No.	%
Less than five months	1	1%	3	2%	0	0%
Less than eight months	26	37%	23	19%	5	5%
Less than ten months	47	67%	n/a		15	16%
Less than a year	64	91%	94	76%	73	76%
Total	70	100%	123	100%	96	100%

Figures and cut off points as set out in the Objective 1 Communication, referenced in Annex I.

Chart 1 Spending by main axis by Member State



Danish figures are provisional

Table 5 Planned spending classified by categories from the URBAN Guidelines

	URBAN	Objective 2		Objective 1	
		ERDF	Total	ERDF	Total
Physical & environmental regeneration	40%	31%	27%	22%	14%
Entrepreneurship & Employment	21%	31%	37%	11%	25%
Social Inclusion	21%	3%	5%	7%	9%
Transport	8%	7%	6%	30%	19%
Information & Communication Technologies	4%	17%	15%	14%	9%
Technical Assistance	6%	2%	2%	2%	2%
Other (mainly agriculture and waste management)	0%	7%	7%	14%	23%

Table 6 Socio-economic indicators for URBAN programmes by location within the mainstream

Location of URBAN programme	Unemployment	Share of immigrants	Crimes per 1,000 inhabitants	Green space as a % of total area
In Objective 1	24%	7%	77	6%
In Objective 2	16%	18%	104	8%
Outside	12%	21%	118	19%
URBAN Average II	17%	15%	103	11%

Table 7 Breakdown of URBAN spending priorities by location

URBAN programmes within:	Physical and Environmental Regeneration	Entrepreneurship & Employment	Social Inclusion	Transport	Information & Communication Technology	Technical Assistance
Objective 1	53%	15%	18%	5%	2%	6%
Objective 2	40%	15%	22%	11%	5%	6%
Outside	34%	24%	20%	9%	8%	6%
URBAN average II	40%	21%	21%	8%	4%	6%

Table 8 Summary data by programme

City	Population	Size of Area (km2)	Unemployment rate (where available)	Immigrants as a % of total population (where available)	ERDF	Total Eligible Spending	Proportion of spending devoted to:					
							Physical and Environmental Regeneration	Entrepreneurship & Employment	Social Inclusion	Transport	Information & Communication Technology	Technical Assistance
URBAN II	2.187.118	693,1	17	15	727.700.000	1.578.459.615	40%	21%	21%	8%	4%	6%
Belgique-België	96.287	51,9	14	29	21.200.000	53.801.285	35%	27%	12%	9%	11%	7%
Antwerpen	44.677	16,0	9	14	7066666	22800000	25%	42%	1%	20%	4%	8%
Bruxelles-Capitale	24.413	1,7		59	7066668	14827953	43%	0%	24%	0%	26%	7%
Sambreville	27.197	34,2	20	13	7066666	16173332	40%	32%	17%	0%	6%	5%
Danmark (1)												
Århus Gellerup	20.331	6,0	8	50	5.300.000	12.031.308	23%	25%	47%	0%	0%	5%
Deutschland	367.719	110,0	18	15	148.700.000	273.300.000	39%	27%	19%	8%	1%	7%
Berlin	30.036	4,3	16	13	14870000	19842000	44%	22%	21%	7%	0%	7%
Bremerhaven	23.000	3,3	15	14	9914000	19828000	19%	70%	4%	0%	2%	5%
Dessau	28.101	5,0	27	3	14870000	19827000	61%	2%	32%	0%	0%	4%
Dortmund	54.971	7,5	17	42	9914000	28646000	27%	35%	30%	0%	1%	8%
Gera	21.229	5,3	18	2	14870000	19828000	43%	19%	19%	11%	0%	7%
Kassel	33.823	10,9	27	37	9913000	42049000	14%	25%	27%	31%	0%	3%
Kiel	32.412	10,6	14	17	9913000	19826000	36%	35%	19%	5%	0%	5%
Leipzig	31.000	8,0	16	4	14870000	19827000	54%	18%	14%	0%	0%	15%
Luckenwalde	22.500	22,3	22	2	14870000	19827000	43%	37%	7%	5%	1%	7%
Mannheim - Ludwigshafen	40.000	8,0	20	34	9913000	21439000	72%	10%	6%	0%	5%	7%

City	Population	Size of Area (km2)	Unemployment rate (where available)	Immigrants as a % of total population (where available)	ERDF	Total Eligible Spending	Proportion of spending devoted to:					
							Physical and Environmental Regeneration	Entrepreneurship & Employment	Social Inclusion	Transport	Information & Communication Technology	Technical Assistance
Neubrandenburg	25.450	8,9	18	2	14870000	19840000	53%	7%	23%	9%	0%	8%
Saarbrücken	25.197	16,0	9	11	9913000	22521000	32%	38%	10%	7%	1%	10%
Ellada	65.000	17,9	17	14	25.500.000	36.377.000	55%	13%	17%	1%	5%	9%
Iraklio	20.000	1,4	9	3	7950000	10600000	77%	9%	5%	0%	0%	9%
Komotini	20.000	1,8	16	34	8000000	12393667	36%	17%	29%	2%	8%	8%
Perama	25.000	14,7	25	4	9550000	13383333	54%	13%	16%	0%	6%	11%
España	250.044	39,3	18	11	112600000	179973333	50%	16%	18%	6%	5%	6%
Caceres	26.705	3,0	19	6	11420000	15226667	64%	8%	13%	0%	10%	6%
Gijon	26.815	15,0	23	5	10500000	14000000	34%	28%	30%	0%	3%	6%
Granada	26.842	2,1	25	4	12340000	16453333	41%	25%	16%	9%	3%	6%
Jaen	20.557	1,0	25	11	12340000	16453333	44%	21%	28%	0%	2%	5%
Orense	11.558	0,5	20	2	9820000	13093333	64%	17%	7%	0%	6%	6%
Pamplona	29.119	1,7	12	5	11420000	22840000	48%	20%	14%	2%	9%	7%
S. Adria de Besos	13.000	0,6	12	2	12340000	24680000	61%	15%	21%	0%	1%	3%
S. Sebastian-Pasajes	38.179	1,7	11	61	10500000	21000000	55%	12%	15%	6%	6%	6%
S.Cristobal de la Laguna	28.275	4,8	27		11420000	15226667	56%	15%	17%	1%	5%	6%
Teruel	28.994	9,0	10	2	10500000	21000000	34%	5%	16%	37%	3%	6%
France	308.632	96,0	22	19	102.000.000	283.609.390	41%	22%	21%	7%	4%	5%
Bastia	20.335	3,0	24	13	11813000	31045038	55%	18%	24%	0%	0%	3%
Bordeaux	51.300	12,3	26		9660000	26099000	21%	24%	30%	15%	5%	5%

City	Population	Size of Area (km2)	Unemployment rate (where available)	Immigrants as a % of total population (where available)	ERDF	Total Eligible Spending	Proportion of spending devoted to:					
							Physical and Environmental Regeneration	Entrepreneurship & Employment	Social Inclusion	Transport	Information & Communication Technology	Technical Assistance
Clichy-Montfermeil	52.409	9,0	21	31	12884000	34909940,9	58%	18%	9%	4%	7%	4%
Grenoble	40.384	16,0	17	11	9660000	26295941	53%	8%	6%	17%	11%	5%
Grigny/Viry	37.700	6,3	19	27	12884000	36976116	45%	25%	24%	0%	1%	6%
Le Havre	17.000	8,0	34	8	10742000	30297554	42%	17%	23%	11%	2%	6%
Le Mantois	29.504	7,2	24		12884000	37910280	38%	25%	25%	3%	5%	4%
Strasbourg	37.000	30,0			9660000	29642671	48%	20%	20%	5%	3%	4%
Val-de-Seine	23.000	4,2	15	21	11813000	30432849	10%	42%	30%	10%	2%	6%
Ireland												
Ballyfermot	21.437	5,1	12	2	5300000	11420000	41%	7%	34%	0%	11%	7%
Italia	350.448	79,9	23	4	114.800.000	264.397.653	56%	8%	10%	14%	6%	6%
Carrara	34.635	28,0	12	2	8860000	27165000	42%	2%	3%	48%	0%	6%
Caserta	23.386	3,4	31	2	15020000	29258280	63%	2%	16%	10%	1%	8%
Crotone	50.200	8,4	27	1	15050000	25083333	64%	25%	2%	1%	1%	7%
Genova	23.000	2,0	24	19	10710000	29522459	63%	11%	10%	10%	0%	5%
Milano	53.121	12,1	7	6	10730000	26999999	35%	3%	5%	22%	30%	6%
Misterbianco	45.608	8,4	29	0	15050000	25090000	33%	6%	44%	12%	0%	6%
Mola di Bari (2)	26.486	5,1	50		8620000	21853582	64%	8%	2%	13%	3%	5%
Pescara	21.769	5,4	12	2	4900000	12250000	53%	2%	9%	24%	7%	7%
Taranto	47.400	5,1	24	1	15130000	38750000	74%	8%	1%	10%	2%	4%
Torino	24.843	2,1	18	2	10730000	28425000	60%	2%	13%	1%	18%	6%

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Nederland	135.602	19,5	10	35	29.800.000	87.077.632	19%	27%	17%	18%	12%	6%
Amsterdam	62.245	5,3	13	44	8940000	31149826	26%	27%	26%	1%	13%	7%
Heerlen	43.806	12,2	9	46	11920000	32183702	14%	32%	8%	32%	9%	6%
Rotterdam	29.551	2,0	9	14	8940000	23744104	17%	22%	19%	22%	15%	5%
Österreich	54.730	9,2	8	19	8.400.000	36.459.000	59%	18%	3%	12%	4%	4%
Graz	31.930	7,4	8	12	4200000	20555000	44%	23%	0%	22%	6%	5%
Wien	22.800	1,9	7	27	4200000	15904000	78%	13%	7%	0%	0%	2%
Portugal	57.496	11,0	25	21	19.200.000	29.591.535	26%	26%	43%	0%	0%	5%
Amadora	10.081	0,8	10	44	3562152	5088786	32%	37%	26%	0%	1%	4%
Lisboa	20.050	4,5	38	-	5663822	10254143	15%	33%	49%	0%	0%	3%
Porto Gondomar	27.365	5,7	27	20	9974026	14248606	31%	17%	45%	0%	0%	7%
Suomi/Finland												
Helsinki/Vantaa	45.000	29,0	13	11	5300000	22500000	0%	29%	47%	0%	16%	8%
Sverige												
Göteborg	31.763	32,0	11	42	5300000	16000000	0%	71%	21%	0%	0%	8%
UK	382.629	186,3	11	9	124.300.000	271.921.479	30%	28%	33%	2%	1%	7%
Belfast	31.902	13,6	26		10623932	17125744	66%	17%	5%	3%	0%	9%
Bristol	37.041		6	2	10647846	22427491	44%	0%	49%	0%	0%	8%
Burnley	32.747	11,4	5	12	11426418	22852836	34%	0%	58%	0%	0%	8%
Clyde Waterfront	27.867	9,4	9	1	12881517	28257982	17%	43%	32%	0%	0%	7%

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							Physical and Environmental Regeneration	Entrepreneurship & Employment	Social Inclusion	Transport	Information & Communication Technology	Technical Assistance
Halifax	49.700	13,0			12629162	35980325	33%	28%	33%	0%	0%	5%
Hetton & Murton	34.942	60,4	6	1	11447097	24804110	14%	39%	39%	0%	0%	8%
Normanton in Derby	27.200	3,5	26		11088051	27746100	20%	29%	45%	0%	0%	6%
Peterborough	37.253	17,8	3	7	11125686	22291872	31%	33%	18%	0%	10%	7%
Stockwell	30.180	2,0	10	36	9981798	19963596	38%	19%	15%	15%	7%	5%
Thames Gateway	45.027	21,3	4	14	11824561	29223559	18%	37%	34%	5%	0%	6%
West Wrexham	28.770	34,0		1	10623932	21247864	28%	46%	18%	0%	0%	8%

- (1) Spending by priority for the Danish programme is provisional and will be confirmed once the programme complement is ready.
- (2) Unusually, the Mola di Bara programme includes measures for the fishery sector. Such measures, although legitimate, fall outside the classification in this table, so spending by priority does not add to 100% in this case.

ANNEX IV: MAP OF URBAN II PROGRAMMES

