HANDBOOK OF SUSTAINABLE URBAN DEVELOPMENT STRATEGIES
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In our fast-changing world, Europe is facing pressing challenges – environmental degradation and climate change, the digital revolution, demographic transition, migration and social inequalities – and cities are often in the frontline to deliver solutions. Their importance in driving the transition towards a sustainable way of living for all is recognised in the Urban Agenda for the EU and in global agendas, such as the Sustainable Development Goals and the New Urban Agenda.

Complex challenges cannot be solved without strong and broad partnerships at the local level between citizens, civil society, industry and relevant levels of government. Cities are playing a crucial role in closing the gap between citizens and public institutions. New forms of governance for better policy design and investments are already taking place in many cities, be it through fostering cooperation between urban and rural areas based on functional areas approach, long-term strategic planning, or involving citizens in all stages of policymaking.

Cohesion policy is at the heart of this process – both in terms of funding and of fostering strategic, integrated and inclusive approach to address the above-mentioned challenges. Around EUR 115 billion is being spent in cities out of which EUR 17 billion are managed locally by urban authorities through more than 950 integrated and sustainable urban development strategies.

For the 2021-27 period, the European Commission proposes a stronger urban and territorial dimension by introducing a new policy objective “Europe closer to citizens” supporting a place-based approach and engagement of local authorities, civil society and citizens in delivering on local challenges. Furthermore, it proposes the launch of a new European Urban Initiative to support cities with capacity building, innovative solutions, knowledge, policy development and communication. The funds earmarked for sustainable urban development is also increased to 6% of the total European Regional Development Fund.

This handbook is a joint initiative of the Commission’s Directorates-General for Regional and Urban Policy (DG REGIO) and Joint Research Centre (JRC). It explains in six building blocks the support for sustainable urban development under cohesion policy. It also aims to provide valuable insights for the design of the future generation of urban strategies supported by cohesion policy programmes.
The European Union (EU) has developed a thorough discourse on cities and their development in the past decades. Since the end of the 1990s, periodic meetings between ministers responsible for urban development led to the consolidation of an ‘EU perspective’ on the urban question (‘urban acquis’) that can be translated into an EU approach to sustainable urban development.

This approach has been refined over the years as it has been implemented on the ground, thanks to the urban initiatives promoted by the EU in the form of its cohesion policy and other specifically urban-oriented initiatives.

2007 was a defining year in this long process. In fact, it was the year when the Leipzig Charter on Sustainable Cities was signed at an informal ministerial meeting held under the German Presidency of the Council of the European Union. The Leipzig Charter offers two key principles for sustainable urban development: the application of a holistic, integrated development policy, and the focus of special attention on deprived neighbourhoods.

2007 also marked the start of a new programming period (2007–2014), and sustainable urban development policies became fully integrated into EU funding schemes following the positive appraisal of URBAN initiatives, in other words they became part of the ‘mainstream’ of cohesion policy.

The launch of the Urban Agenda for the EU in 2016 represented another milestone. Building on the Leipzig Charter, the Urban Agenda underlines the importance of an integrated approach to urban development that:

- goes beyond sectoral policy;
- is supported by cooperation across levels and across stakeholders;

An updated Leipzig Charter will be adopted under the upcoming German presidency, in the second half of 2020.
• goes beyond administrative boundaries;
• targets cities of all sizes.

During the 2014-2020 programming period, cohesion policy has made Sustainable Urban Development (SUD) compulsory (5% of European Regional Development Fund, ERDF, earmarked for SUD in each Member State)\(^2\) and the strategic dimension of the integrated approach has been affirmed. Moreover, new territorial instruments have been introduced to implement strategies in urban areas, namely integrated territorial investment (ITI) and community-led local development (CLLD). These emphasise respectively the importance of integrating multiple funds, and of engaging with the local community.

These key characteristics of SUD will be maintained in the upcoming programming period 2021-2027, when the minimum percentage of ERDF to be earmarked for SUD was proposed increase to 6%.

Strategies in urban areas will be promoted through an integrated and place-based approach to territorial development, where integration means multi-sectoral policy, multi-level and multi-stakeholder governance, and multi-territorial and community-led strategy.

By analysing these milestones, the main building blocks which characterise the EU approach to sustainable and integrated urban development can be characterised as follows:

• An approach which promotes a **strategic vision** for the development of urban areas.
• An approach which targets **cities of all sizes** and promotes **integration across scales**, from neighbourhoods to wider territories.

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\(^2\) In line with Article 7 of regulation (EU) No 1301/2013.
- A multi-level governance and multi-stakeholder approach, which coordinates different actors according to their respective roles, skills and scales of intervention, ensuring that citizens are actively engaged.
- An approach which is integrated across sectors, and pushes cities to work across policy-areas.
- An approach based on the integration of multiple sources of funding.
- An approach which promotes result-oriented logic and establishes frameworks for monitoring and evaluation.

The aim of the Handbook

The European Parliament resolution of 9 September 2015 on the urban dimension of EU policies (2014/2213(INI)) underlines the need to systematise and analyse ‘all available data and shared conceptual frameworks (‘urban acquis’) in order to prevent duplication and inconsistencies and provide a clear definition of integrated Sustainable Urban Development and thus identify the common coherent and transparent EU objectives in this area’.

In reality, the EU approach to urban development is interpreted differently when it is implemented on the ground, depending on local planning cultures, as well as the wide variety of actors involved in implementing it.

Moreover, there are some aspects of methodology which need clarifying and strengthening, with the aim of providing better and clearer orientation for post 2020.

Accordingly, the Handbook of Sustainable Urban Development Strategies aims to develop methodological support to augment knowledge on how to implement integrated and place-based urban strategies under cohesion policy. In particular, it refers to Sustainable Urban Development (SUD) as supported by the European Regional Development Fund during the current programming period (2014-2020) and the upcoming one (2021-2027).

In this context, the Handbook contains recommendations intended to complement official regulations, without being prescriptive. In fact, it is conceived as a policy learning tool, which should be flexible and adaptable to the needs arising from different territorial and administrative contexts. The Handbook addresses SUD strategies as bridges between cohesion policy on the one hand (with its rationale, rules and actors) and local territorial governance systems (with their rationale, rules and actors) on the other.

The Handbook does not provide a ‘quick fix’, but rather provides suggestions - giving concrete examples and referring to existing tools and guidelines - on how to tackle key challenges during the process of strategy design, implementation and monitoring.

The Handbook targets local authorities (LA), managing authorities (MA) and all other relevant stakeholders involved in the process.
The Handbook is divided into six chapters, each of which addresses one of the building blocks of the EU approach to Sustainable Urban Development. The chapters are as follows:

1. **Strategic Dimension.** This chapter addresses strategies intended as collective roadmaps which aim at triggering a desired change. Strategies represent the centrepiece of Sustainable Urban Development as promoted under cohesion policy, and reflect the current understanding of strategic planning, which is intended as an adaptive process involving the management of change.

2. **Territorial Focus.** Having an explicit territorial focus means that needs, challenges and opportunities for development must be matched with the appropriate spatial scale and territorial context. In particular, this chapter addresses three main issues: targeting neighbourhoods, adopting the functional area approach, and promoting urban-rural linkages.

3. **Governance.** Within the context of Sustainable Urban Development, ‘governance’ refers to how the relevant authorities and stakeholders decide to plan, finance and manage a specific strategy. The chapter focuses on three central components of governance: multi-level governance, the multi-stakeholder approach, and the bottom-up and participatory approach.

4. **Cross-Sectoral Integration.** The cross-sectoral approach to urban strategies refers to the need to overcome the ‘siloed’ structure of sectorally divided functions which characterises public organisations, in order to tackle multi-dimensional challenges. The goal of the approach is to ensure coherence in policy-making principles and objectives across policy areas, and to ensure actors relating to different sectors cooperate to create policies.

5. **Funding and Finance.** Suitable funding and financing arrangements are key pillars of Sustainable Urban Development as promoted by cohesion policy. There are two long-established trends in delivering this policy which are addressed in this chapter: the combination of multiple funding sources and the associated increase in the significance of financial instruments.

6. **Monitoring.** Monitoring instruments and activities support public authorities in designing and implementing Sustainable Urban Development strategies. A strong intervention logic and appropriate result indicators, combined with measurable targets, are required to assess whether the intended progress has been made. This chapter reviews the key concepts and components in monitoring strategies, highlighting what the major challenges are in setting up a monitoring framework for SUD.

Each chapter has the same structure. First, there is an introduction to the theme of the chapter, specifying how the concept is used within the framework of cohesion policy. In addition, a certain
number of key components of the theme are individuated and addressed separately. In particular, each component tackles the most important and recurrent challenges that policy-makers face in the process of designing and implementing strategies. The challenges are formulated as questions, and the answer can be found in the text, supported by concrete examples and short case studies. Moreover, the text is enriched with short descriptions of existing guidelines, studies and online toolboxes which can help in tackling the challenges mentioned in the chapter. A series of recommendations are listed after each issue/challenge has been discussed.

**Methodology**

The Handbook is based on a mixed-methods analysis of SUD strategies which were implemented during the 2014-2020 programming period. Quantitative data were collected using STRAT-Board, which is both a database and an online mapping tool providing an overview of 964 SUD strategies implemented in 2014-2020 across 28 EU countries. Moreover, in-depth information on a restricted number of strategies has been gathered thanks to the outcomes of the Urban Development Network (UDN) peer review workshops on the implementation of SUD strategies which were organised in 2016-2017, and the outcomes of the DG REGIO study *Integrated territorial and urban strategies: how are ESIF adding value in 2014-2020?* (Van der Zwet et al., 2017).

Finally, a thorough review of the literature (academic publications, reports, policy papers and other grey literature) has enriched the Handbook, and references can be found throughout the text.

**REFERENCES**


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3 https://urban.jrc.ec.europa.eu/strat-board/#/where
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