



Regional Policy  
InfoRegio

# Urban development

Cities are seen as both the source of and solution to today's economic, environmental and social challenges. Europe's urban areas are home to over two-thirds of the EU's population, they account for about 80 % of energy use and generate up to 85 % of Europe's GDP. These urban areas are the engines of the European economy and act as catalysts for creativity and innovation throughout the Union. But they are also places where persistent problems, such as unemployment, segregation and poverty, are at their most severe. Urban policies therefore have wider cross-border significance, which is why urban development is central to the EU's Regional Policy.

## Urban dimension of cohesion policy

The 2014-2020 period has put the urban dimension at the very heart of Cohesion Policy. At least 50% of the ERDF resources for this period will be invested in urban areas. This could increase even further, later in the period. Around 10 billion euros from the ERDF will be directly allocated to integrated strategies for sustainable urban development. And about 750 cities will be empowered to implement these integrated strategies for sustainable urban development.

[Learn more about the way European cities will benefit from EU's Regional Policy](#)

## What is integrated sustainable urban development?

The various dimensions of urban life – environmental, economic, social and cultural – are interwoven and success in urban development can only be achieved through an integrated approach. Measures concerning physical urban renewal must be combined with those promoting education, economic development, social inclusion and environmental protection. It also calls for strong partnerships between local citizens, civil society, industry and various levels of government.

Such an approach is especially important at this time, given the seriousness of the challenges European cities currently face, ranging from specific demographic changes to the consequences of economic stagnation in terms of job creation and social progress, and to the impact of climate change. The response to these challenges is critical for achieving the smart, sustainable, inclusive society envisaged in the [Europe 2020 Strategy](#).

## The EU Urban Agenda

Cities are one of the major players as they directly or indirectly implement EU policies on the ground and therefore contribute to EU's major policy objectives. Action is needed at EU, national and city level to ensure that cities are able to fulfil their potential in this role. For this reason, an EU Urban Agenda is being established.

Several political agendas have been developed in the past. The Leipzig charter and Toledo Declaration are carried forward in the EU Urban Agenda.

[Leipzig charter](#)

Toledo declaration [en](#) [es](#)

The [EU Urban Agenda](#) in detail.

[Urban Portal : Overview of European programmes and initiatives with an urban dimension](#)

## Objectives for 2014-2020

During the 2014-2020 programming period, European cities will benefit even more from the EU's Regional Policy:

Urban areas are directly targeted by several of the European Regional Development Fund (ERDF) investment priorities. This means greater opportunity for sustainable urban mobility, regeneration of deprived communities and improved research and innovation capacity.

In each EU Member State, a minimum 5 % of the ERDF is earmarked for integrated sustainable urban development; its on-the-ground deployment will be decided and directed by urban authorities.

EUR 371 million is set aside for innovative actions in the field of Sustainable Urban Development over a seven-year period.

An urban development network (UDN) is responsible for reviewing on-the-ground deployment of European funds and boosting knowledge-sharing between cities involved in integrated sustainable urban development and in Urban Innovative Actions.

Cities are encouraged to use Community-Led Local Development (CLLD), which paves the way for local stakeholders, businesses, the public sector and civil society to get more involved in urban neighbourhood regeneration.

Integrated territorial investments may be used to implement area-based strategies that rely on investments across different fields.

The URBACT III programme - which acts as a European exchange and learning programme promoting sustainable urban development - has been financially strengthened and expanded, enabling European cities to work together to develop better solutions to urban challenges.

The TAIEX REGIO PEER 2 PEER tool is designed to share expertise between bodies that manage funding under the European Regional Development Fund (ERDF) and the Cohesion Fund.

## Cooperation and exchange of experience between cities

### URBACT

URBACT is a European exchange and learning programme promoting sustainable urban development, which integrates economic, social and environmental dimensions. It enables cities to work together to develop new, pragmatic and sustainable solutions to major urban challenges, reaffirming the key role they play in facing increasingly complex societal changes. So far 7 000 people from 500 cities, in 29 countries, have participated in the URBACT programme.

[For More Information](#)

### UDN

The Urban Development Network is made up of more than 500 cities/urban areas across the EU responsible for implementing integrated actions based on Sustainable Urban Development strategies financed by ERDF in the 2014-2020 period.

[For More Information](#)