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# THE CHANGING ROLE OF CITIES IN EU COHESION POLICIES

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**MODERATOR:**

**Simon Wilson**, director for Public Affairs at Edelman Brussels

**SPEAKERS:**

**Dorthe Nielsen**, senior policy adviser, Eurocities

**Jan Olbrycht**, MEP, president of the European Parliament Urban Inter-Group

**Wladyslaw Piskorz**, Competence Centre Inclusive Growth, Urban and Territorial Development, European Commission DG REGIO

**Shin-pei Tsay**, director for Cities and Transportation, Energy and Climate Program, Carnegie Endowment for International Peace

Transcript by Way With Words

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**SIMON WILSON:** Good evening. Thank you all for braving the rain and coming through. My name is Simon Wilson, I'm a Director here at Edelman Centre and I'd like to welcome you on behalf of Edelman Centre and, also, Carnegie Europe to this event we are holding today on the Changing Role of Cities in EU Cohesion Policy.

Before I introduce the panellists, just a couple of words; this is actually the first one in a series of events that we're going to do, together with Carnegie, around the idea of sustainable cities. I asked, well, what's the title of this series? I was told we don't have one yet. That's your challenge: by the end of this evening you have to come up with a great title for the series of events that we're doing. The winner will receive a cup of hot chocolate or something at the end.

We are going to have, I'm sure, a very interesting discussion around the table now until 7:30 or so, after which we're delighted to invite you to come and join us upstairs for a drink. I think we have just a couple of notes on practical issues. We're going to organise this as informally as possible, to have an initial presentation from each of our panellists and then a discussion. We'd like to hear from you as much as possible, so please indicate when you want to speak.

Thank you all very much for coming. I think the easiest thing is if I quickly introduce our four panellists and then let them get on with the business of talking to you about the subject at hand. To my left here we have, and I'd like to welcome with you, Jan Olbrycht, who's MEP and is president of the European Parliament Urban Inter-Group, who's a member of the EPP. He's also Vice-Chair of the European Parliament's Committee on Regional Development, in addition to which, he serves as a rapporteur for European Regional Development Fund. Clearly, it would make sense, I think, to start with Jan when we have our comments this evening.

We'll then move on; next, we have Dorthe Nielsen – welcome. Dorthe is Senior Policy Advisor in Eurocities, which is about 300m down the road from here – thank you for joining us. Dorthe joined Eurocities a couple of years ago to lead the network on the European budget, with particular focus around Europe, around cohesion policy. Amongst other aspects of work, she also works around urban-rural collaboration, Europe 2020 and the EU presidencies. Before joining Eurocities, she worked for the GLA, Greater London Authority, at their office in Brussels.

Thirdly, we have our second speaker from the Institution. Welcome to Wladyslaw Piskorz, Head of Unit in the Competence Centre for Inclusive Growth, Urban and Territorial Development. That's inside DG REGIO. Wladyslaw, thank you for joining us, welcome. You've been head of the unit since 2006, in DG REGIO, and having been inside the Agricultural Policy Analysis Section of the Agricultural Foundation, Assistant Professor for Agriculture since 1993, before that as well. He worked as Secretary of State in the Office of the Committee for European Integration from '97, and then the Permanent Representation of Poland from 1998 until 2006, so you've been in Brussels for longer than any of us now – 15 years or so.

Finally, serving as joint speaker and also co-host for us, I'm delighted to welcome Shin-pei Tsay who is Director for Cities and Transportation in the Energy and Climate Programme for the Carnegie Endowment for International Peace. In fact, when I said you were our co-host, it's the Carnegie Europe which is hosting with us. Shin-pei is actually based in the States, between Europe and Washington, working with the Carnegie Endowment Foundation there as Director for Cities and Transportation. I'm sure, amongst other things, you can bring a transatlantic perspective to some of the discussions we have around cohesion policy.

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Each of our speakers have been asked to give us some of their initial filter on the subject for five to ten minutes. I'll ask them to start with, starting with Jan, to do so, and then, as much as possible, we'll bring all of you in, to get your thoughts and your questions and turn this into a debate, amongst as many of you as possible. Please, just before I pass the floor to Jan, if you do speak or have a question, please just introduce yourself, say where you're from and then that will give the panellists some idea before answering your question. Jan, the floor is yours.

**JAN OLBRYCHT:** Thank you very much for your invitation. First of all, I had to verify my web page is updated, because the information you have is a little bit outdated. I know the article hasn't got [unclear] commentary, because my colleague from Poland, Wim Tahilir [?] is the Chair, so it's impossible to have two from the same agency, from the group. In former times, there was the vice-president of the Carnegie [?].

What I would like to share with you are some remarks that are very general. We have almost finished work on the RDS. I know one treaty is all that it takes, but it's rather fascinating, the way in which we are negotiating with the Irish presidency and the Commission. I think when we discuss about the urban and the role of cities and the integration policy, this is the question: why didn't the cities get involved in the past?

Now, this is very interesting, why it was not the case before; now it's absolutely valid to say that the role is very important, for different reasons, but let me underline one of them. I would like to use, to explain the example of another notion, which is regional policy, so-called regional policy. Regional policy is the question of the policy made by someone, for example, in the European Union or the State or something; this is the policy which is oriented towards the regions.

The question is: what are regions, in fact? Are they territories, which we've described as one of the features, or do we speak about regions in terms of regional authorities? Do we speak about the competencies, possibilities, importance and the position of regional authorities? When we speak about regional authorities, the question is how European money can influence the role of regional authorities and in fact the process which in the literature is described as regionalisation, regionalisation which is the administrative process and which is in fact the creation of an internal structure of the State.

The question is: what is the structure of the State, like, for example, Portugal, who refused to have regions; or Hungary which doesn't have any regions; or Poland which has relatively stronger regions, even if you have the French type of regions [unclear]; or Germany, with the länder? It means we are discussing the administrative levels, but at the same time we are using European money.

The question is: who will decide about the money? The decision to put that into the cabinet of somebody or any authority in fact influences regionalisation. You can give the money to the regional authorities, you can reinforce the whole structure of the State; or you can give it to the government, and the government will use it in the so-called regional programmes, but the mother [?] will distribute the money; I think it means reducing the importance of regions, in politically mixed terms.

Very often they interfere with this process. We shouldn't neglect it, because the internal structure of many of the states is influenced by the European or pan-European funds. The internal structure of the State can even be shaped by the European funds. If there is no clear idea of member states,

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the structure is in fact created by the funds, in fact by the European Commission, with this intention or not.

Let's go to the cities. The cities are, again, the same; the urban policy is either speaking about the territory, population, the new phenomena - cheaper urbanisation in Asia, Africa, etc - this is... how is it possible to fulfil the needs of the people in one place, the question of a territorial cohesion, speaking about the territory? This is one element. What can we do with the cities? What can we do with the metropolis [?] in the regions? The British can say city regions, etc. This is about: what can we do for this population in one place?

At the same time, when you're speaking of cities, you're speaking about the city authorities. The question is: what are the competencies of the city authorities? What are the competencies of the competing [?] member states? It's not a problem of being in a structure of the State or not, because it is. The question is: what is the importance of the city authorities? These are the regional authorities. What is the role of the big cities, capital cities, vis-à-vis the regional authorities? For example, in Germany, länder – what is the importance of the neighbouring bürgermeister in the regions?

In the end, you have exactly the same situation. Very often, when the European Commission started to introduce the urban elements, it was absolutely: stop it, don't do it, it's regional policy. This was the mixture of the two; from one side it's about the Continent, but in fact this is about the policy-making and about the authorities: who is more important, less important; who is it influencing, etc?

Please look at the Committee of Regions – what is the situation of the neighbours of big cities. You can ask people from Eurocities, they know it very well: what is the situation of the big president of the important region of 17 million people and the small French municipality? What is the different between the big region of 5 million and this city of 3 million or 4 million? This is politically very, very sensitive.

It's not by chance that in fact, what I would like to underline, we observe this situation around Europe. Of course, thanks to the Lisbon Treaty which introduced territorial cohesion, it was the way of opening the door for the urban policy of the European Commission, but not losing this, that when you speak cities act, cities react, or the city reacts – we are speaking about the city authorities, we are speaking about mayors: what is the importance of the mayors in the whole structure of public authorities?

This is not by chance that we, five, six... it was, I think, six years ago – when I was a Member of Parliament for the first time, we were fighting for having the obligatory delegation of competencies for the city level six years ago. It was absolutely rejected. By whom? In fact, by the Commission. Why? The Commission said, no way! Not because the Commission was against it; because: it will never be accepted to give the delegation to the city obligatory. It was over [?]. If anybody wants to give the delegations, okay; the result is very modest.

On this side, the Commission started from another position, a much stronger position. The Commission said now we should do something for the mandatory delegation of competencies, and that's why this very famous ITI was created, the obligatory delegation. It had immediately the promise from the regions, immediately; first from the Germans, saying, no way; the länder say no way, because this is subsidiarity.

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Beautiful - subsidiarity is a very good key to develop something or to stop something – this time, to stop it, to say, according to subsidiarity, the urban policy comes to the cities. Nobody can impose anything on the cities. No, this is positive. Nobody can impose anything on the cities, so you cannot give delegation to the cities because they're unprepared. You cannot impose on them the new obligations; they are not prepared. We are doing for the cities, not to give them the competencies.

After a very, very long fight, we managed to have the different levels of delegation which are possible in different member states. It's up to the member states to decide. A very varied delegation, just prepared for about seven years, and had a choice of projects; a bigger delegation, or broader delegation – it's a way of evaluation. If a broader delegation, it's through management of the product [?]. With a bigger delegation, it's the global brand. Money for seven years before they see this.

The question is now: which of the member states decides to give the global brand to the cities for seven years? Which of the...? Of course, now the question is: where is the money? The money will be found [?] and administered in the operation programmes or it will be in the regions. Will regions be open to give the cities the full delegation for seven years? We have that in the situation like regional policy. It's not just about money; it's not just about content; it's about power, influence and importance.

We are not naive; we know that while you are discussing the problem of European funds, you are also discussing the problems of internal structure and the competencies that are involved. We would like to make regional sub-states aware that we need it now and we need a delegation at city level, because this is the moment, because if it's not given to the cities, at least at the minimum level, it will not work or it will require a completely new approach. It's not by chance DG REGIO changed the name.

Now it's these... read it very carefully – it's not the DG Regional Policy including Urban Policy; this is Directorate-General for Regional and Urban Policy – they are Regional and Urban; they are on the same level. This is completely new, so we are awaiting the result. Please do not forget that this is not just about money; this is also about the problem of public authority competencies, the relation between different authorities.

**SIMON WILSON:** Thank you, Jan. I think that's a great place to start, to remind us this is about power as much as about money. I'm fascinated by the idea that it's also a way of shaping democracy, in effect, from a European level and I guess in positive and less positive ways as well. That's a very interesting start for us and I'm sure we'll come back to many of those points. Let's move on to the city level and to Dorthe.

**DORTHE NIELSEN:** Yes, thank you. With the reminder that it's not just about money, I wanted to start nevertheless with the question that we've been asked, to assess what the role of cities in your obtaining the 2014 to 2020 project? I want to start off, first of all, with what I see as the question, because if we're honest about it then I don't think the role of cities has been very great.

Cities are really only small players in this game, despite the obvious contribution of the 85% of GDP, that three out of four citizens live in cities, so there is a big collective representation of the European population. I think even the European Commission appears sometimes to be a small player in the discussions on what would be the priorities for the next budget period of the EU. Commissioner Lewandowski has, for the budget... I think he recognised that as some part of himself

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with some... there was some interesting comment also about how this whole budget process is organised, particularly, with unanimity in the Council.

It's the member states, of course, that call the shots and jointly, with the European Parliament, who has to some extent been able to put some pressure on member states and make some amendments, it looks like. I think we have to wonder if we have a budget process that's already geared to take into account the broader context of stakeholder interest and also to target spending to the EU objectives or if it's rather geared to a national political agenda.

The likely outcome – obviously it's not decided yet – is that, still similar to this funding period, that we have nearly 40% of the next budget period that will go to the Common Agricultural Policy, and the majority of the spending will be spent under Pillar One, so for the farmers and not the rural development. The urban premium that was suggested by the Commissioner has been taken out.

Do we then have a budget that will help deliver the Europe 2020 objectives? Do we have the budget right for investment in European territories? I think that Eurocities would have liked to have seen a budget that, to a great extent, recognised the contribution that cities can make in terms of driving the European economic problem.

It was specifically about cohesion policy and the changing world of cities. Mr Olbrycht has now summarised what looks to be the new opportunities for cities that have then been created, very much thanks to the joint efforts of the Parliament and the Commission. There is potentially then an increased role for cities, not least in the programme phase of the funds, for cities and other stakeholders. I think this can help ensure that funding will target global needs and also fitness of wider strategic plans.

On paper the text looks more promising, the text that we have within the draft Comprehensive Regulations and the Code of Conduct that should be coming. Together with the Regulations, it looks promising on paper in terms of regular influencing for sub-nationals of regional level. The trouble is that it would only really enter into force once stipulations are finally adopted by... when most member states will already have finalised their partnership agreements; that determines the investment priorities. There was a problem of timing which could undermine the actual impact of these new provisions.

Another positive element is then that a declaration proposal for ring-fencing of a small amount of the earlier funding for sustainable urban development has been retained, and here cities will then be in charge of selecting operations. This is a more hands-on role for cities. For some cities, it will be a step forward compared to the current ground. It's true that with no mandatory delegation of funding to cities, we do feel that it's a missed opportunity, but, as we were saying, there are issues for opposition to this particular element from particularly the federal states.

Is there a changing role for cities in the EU Cohesion Policy? We certainly hope so. A small... it really remains to be seen still how these elements will be implemented in member states. Despite the integrations, we know that, particularly, the German cities are not particularly helpful.

More broadly, in terms of a wider change of cohesion policy, I think it's also important to note that this has now been renamed, so it's not just an EU structural funds, it's EU structural and investment funds. I think it's a positive state now that structural funds are no longer just about evening out development across the EU and that each and every last place in the European Union should have

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the same GDP, but that there can be areas that can be drivers, of course, such as cities where targeted investment can be covered also by its funds.

The Commission's Cities of Tomorrow Report, looking at totally urban, it concluded that we need to have more focus on our cities, to fully exploit their potential. Part of this, because it is not just about money, is about more conscious investments in those cities that have become drivers of economic growth for the city and the surrounding region.

This European model of well-mannered urban concentration is the most sustainable form of development. In Eurocities, we often say that it's the European cities that are assets in terms of global competition and it might also be where we stand out compared to the US. That's why the urban agenda is not just important for cities, but for the economic future of Europe as a whole.

**SIMON WILSON:** Thank you, Dorte. A qualified yes so far to the question: do we see a changing role; I've a feeling a qualified yes in terms of finances but also politics, from what you've said so far. We can come back to this question later on as well.

First of all, Wladyslaw, you've already had a flood for your reports, which should please you. You can tell us more about your report, you can tell us more about your policies, so [overtalking].

**WLADYSLAW PISKORZ:** Thank you very much. The role of cities is recognised by the European Commission much longer than I've been Commissioner. The European Urban Agenda was created more than 20 years ago. I read in the document which in the 90s was commissioned as, financed as some urban hybrid project and then an urban community objective.

The first focus was on the direct neighbourhoods and then the social issues, but slowly this has evolved and this has now become... this urban policy is a very delicate issue; this is not the EU competence; we don't find in the treaty reference to the urban policy. Here, as you look [unclear], we are now one of the cohesion services in the European... the Directorate-General for Regional and Urban Policy, so this is the emergence of the recognition of this more than 20 years European increasing [?] Urban Agenda.

The Commission has been working very closely with the European institutions, with the Parliament, with the [unclear] regions and the Cities Association, and also with other states. I would like to recall the dialogue of the Ministers for Urban Development who have agreed in 2007 on the principles of sustainable urban development in the Leipzig Charter, and then later, in the Toledo Declaration, how cities can contribute to the objective of Europe 2020.

I think now we have probably passed the point where nobody is questioning the role of cities in really delivering smart and sustainable economic growth. We realise that probably we didn't succeed that much with the Lisbon Strategy because we didn't have the local level of cities included on our side.

We also realised that if we only focus separately, we do a good job but we miss some opportunities. We see a lot of energy among our cities. If you take, for example, the Covenant of Mayors, more than 4,000 cities, communes volunteered together to make commitments, without any financial rewards, to grow the energy use or energy-saving view of the targets which are set by the European Union.

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If the cities are looking towards the European level, Commissioner Johannes Hahn has invited for the first time the mayors of European capital cities to come to Brussels to hear then about the priorities. It was very clear during this meeting that they feel obliged to deliver to the wealth of Europe, and they are able to do this and they are able to share the experience.

European funds – a lot has been talked already about the role of Europe funds – first of all, we are trying, for the next couple of years, first, to be sure that we are clear on what we are going to change with such a small European budget. This was not always the case in the past; very often we faced the situation that we have finalised the programme, we have finalised the project, and then the question was: what has really been achieved with this project? It was easy to say because we have built so many buildings, we have trained so many people, but does this really make a change for the people on the ground? It was not always easy to answer.

Therefore, the Commission has proposed, and, finally, they're supporting this, the supplementation [?]. Before we pass the [inaudible], we would like to be sure that member states in the region would tell us clearly where they want to be in seven years' time, with the use of EU funds, and how they would know what they have reached this objective. What kind of indicators would tell us if they've made targets or not?

The same applies also for cities; we would like also, when we provide support for cities, that the cities should have sustainable integration of urban development strategies. It is not just the... we are not the European [unclear], but this is something that we need to think of and this is what's mentioned in Cities of Tomorrow Report which has been produced with the support of leading European urbanists, which clarified what are the key challenges and the best ways those challenges could be dealt with. It was pointed out that you need to have the vision for your city for a longer perspective, and you should have a holistic approach to give this clarity.

We tried, with a little bit of money, to facilitate this process, to support this integrated approach to urban development. For that reason, it was insisted that 5% of the regional funds should be set aside for the integrated sustainable urban development where the management of this section of the population needs to be led [?] by cities.

We have learnt from the past that those programmes where we have empowered cities were most successful, they were most sustainable, and this we would like to repeat. You have probably noticed that in the European Commission a lot of services are talking about cities, about involving cities. I will mention, for example, the Smart Cities and Communities Initiative; I will mention the European Capitals of Culture, the Capital of Europe, Sustainable Urban Mobility and so on.

You may also not wonder that with so many initiatives there might be risk of confusion, of different technology and different focus. For that reason, it was decided that there should be, at the Commission Level, one place where there will be some kind of attempt to have better coherence and synergies within various urban-related Commission initiatives. Therefore, there is an inter-study [?] group for urban development which has the task, first of all, to have a better overview of the various urban-related initiatives of the Commission. A second group will ensure some coherence and coordination and, on its list, also to have better information for outside, more on what the Commission is doing.

We would like to speak the same language, the various country services, on urban development. This is not easy, as you know. Some people define differently Smart Cities; if you talk to people from DG Energy, for example, DG MOVE, you find that it will be different than with the Department

of Energy. The urban dimension is not only part of the regional policy, part of the cohesion policy; it is also the important part of other Commission policies. This should be remembered.

Then I would like to mention that we could not ignore that claim that Europe doesn't have a role to play in urban development in Europe. We should recognise what has been done over 20 years. Maybe now is the time to make further steps to define the European Urban Agenda, because we could not just leave it and wait for every city with its potential to develop and contribute to Europe's success.

There must be some kind of agenda for the European Union and probably also on some kind of policy towards cities in the member states. I know that some of the cities are now aggressively advancing in the goals for cities. This is the way to exploit the potential cities, and among them I am looking for this.

You will probably know that Commissioner Johannes Hahn, when he came to office, he was in the European Parliament, he declared that urban development is among the key priorities. What you will have noticed is that he presented a [unclear] for the next programme period of cohesion policy where urbanisation is very strong. We are very pleased that in the Parliament and in the Council this has not been diluted, that even the contract has been strengthened.

**SIMON WILSON:** Thank you. Before I introduce Shin-Pei, it strikes me that... I'm very interested in the way that you talked about the history of the development of urban policy. In some ways, it's a history of using imagination to get around some of the challenges that Jan talked about in terms of the political structures, institutional structures, the lack of recognition of the treaties and finding the different ways of letting that [unclear] which is clearly there, as Dorte said, come through, whether it's through one of the initiatives like the [unclear], through simple things which leave a message, like the renaming of DG REGIO.

I think it's interesting, the way that, in some ways, you constantly keep cities down. There seems to be a role for the mayor; it's about how the institutions find a way of allowing that role to come through and to be especially dynamic and driven. Shin-Pei, let's hear from a slightly different perspective, from across the Atlantic, and [overtalking].

**SHIN-PEI TSAY:** Yes, I'm involved. Thanks for letting me be a part of this really fascinating conversation. I've been thinking a lot about the changing role of cities because as a practitioner what I was qualified to do was offer more of a bottom-up approach. I think the other panellists, and especially the European Union, has an inherently holistic approach compared to other places around the world.

If you look at a planner who is trying to execute on some of these goals, and then the policy barriers in place, and then moving up the scale of governance, it's a very interesting and different way of thinking about it, especially since there's recently been quite a lot of writing about the role of cities in the global arena and how they no longer need nation states to give them political cover.

As much as I believe in the power of states and dynamism and what you were saying, that they constantly seem to rise up from the various challenges, if you really look at all the cities across the world, only the strongest ones really do that, only the ones with the strongest leaders are able to do that. I also think that once you start getting into that realm of conversation that nation states are no longer necessary, you're basically abandoning cities that really could benefit from just a little bit of a push or from coordination or some other kind of assistance. I don't believe in abandoning cities.

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There are plenty of reasons for trying to find a new dynamic and a new role for cities with a nation State, with a supranational, and to tease what it means to have regional development. I think it's interesting, this flip-flopping back and forth between regional and urban. The same thing happened in the States, historically; there was a great emphasis on urban issues in the 50s and 60s, and then it was a national policy change; the cities were emptied out and it became very focused on regional issues.

The Housing Urban Development Agency was created in the 60s to address the very specific disparities that we think a lot about in cities; cities are where the opportunities are, but they're also where the greatest disparities are. They're where the greatest potential for carbon mitigation and adaptation are, they're also where the greatest energy consumption is. If you think about, in Asia and Africa, that's extremely true for those regions.

The other thing to note, though, about urbanisation in those regions is cities will evolve out of economic reasons and it will also evolve out of conflict; in many places in Africa there's urbanisation because their people were moving to areas that were considered safer. We have all these different dynamics.

I think that what Europe is doing is so inspiring and, actually, it's inspired quite a few American planners to think about a cohesion policy for the United States. They were planning and actually talking to my Chinese counterparts and people who were researching energy and climate issues in China; there was also great interest in what's happening here because it would basically help them reduce redundancy in infrastructure and potentially give them ideas on how to deal with these same inequality issues and challenges that I think we're all seeing in the area.

What you're doing is a grand experiment, I think, and fascinating for so many different reasons. In terms of transferability to the United States, the United States is a federal republic, it's very staunchly so, it really devolves power to the states, and so what you will see is that in some states there is strong regional development because they were able to pass laws. California has a couple of laws that allow them to plan long-term climate change, regional and integrated land use and transportation.

You'll notice that I'm just speaking about a couple of specific sectors – climate change can involve a few more – but these topics, these things are isolated, in a way. They might have broader social, environmental and public health outcomes, but they don't have the all-inclusive fanatic framework that I think the cohesion policy here has. That's, I think, one interesting split; states like to define the way they want to look at it. Of course, we all know policy is largely dependent on politics, and so that's the way that things play out in the United States.

Portland, Oregon also has a very interesting regional development framework, because they elect their regional authority heads, so that person is necessarily a political player, and that's just something also very interesting to consider. There are pros and cons to this; there are going to be legacy issues that if you were able to elect a new person, they can push through or they will... and because of all this, you'll never get anything done. They've been able to prove that they've been able to manage the regions very well compared to the rest of the United States.

Those are fairly more progressive, leading states. I wanted to give you an example of a conservative state, Louisiana. Louisiana is a conservative state; it doesn't recognise climate change, it basically has outlawed sea-level rise. In some states you can't use sea-level rise in legislation; it's outlawed

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by your local authority. In Louisiana, though, because of the Hurricane Katrina, they were able to pass a Master Coastal Plan, and that allowed them to recognise sea-level rise because it was tied to economic development. That allowed them to inform, basically, a kind of adaptation plan. They would never call it that, but that's basically what it is.

Integrated in this plan is a State-wide plan, unanimously supported by the legislature and signed by the governor, who is very, very much a conservative, are community development, of climate development, recognition of the economic power of their cities and the necessity to rebuild. We see these State-level movements that are quite interesting and, I think, quite innovative because they are a blend of a policy and politics that is necessary in the environment of the political culture of the United States.

One thing that I think people are also very curious about is President Obama's agenda, because he actually did create an Office of Urban Affairs during this first term, and I think all of the planners, urbanists and mayors were extremely excited. It ultimately ended up being more of an outreach office, a public relations office.

I think, actually, one thing I was talking to the panellists earlier about, one of the problems with this, because... and I mentioned it earlier – the isolation of the sectors; the way that the Americans like to solve problems is less holistic, more isolated. Urban can stand for lots of different things.

In the United States, because of modern history, with the civil rights movement, the tension around cities, urban can stand for social programmes, education and public health programmes, welfare programmes, or they can stand for infrastructure programmes. That split, I think, ultimately led to this huge gap and the disempowerment of the Office for Urban Affairs.

How do you address this? We don't have a holistic framework, so how do you address all of these ideas, and how do you reach out to all these constituents? All those problems are solved through completely different regulatory schemes, so that is something to consider about the American perspective.

One ray of hope, though, which I think is really interesting and I think it really sparked a lot of innovation among the agencies – out of the Office of Management Budget – this is not published at all, but it is publicly available, so I would be happy to send anyone a link because I think it's such an interesting document – the Head of the Office of Management Budget wrote a memo called Basics [?] Memo when they were preparing a budget. We prepare a budget every year, so we don't even have a multi-year budget except for a couple of specific sectors: Transportation and Agriculture.

In preparing this budget, it placed this memo that said you must recognise all the entities within the country, beyond the states. You must recognise every single subnational entity, down to the citizen. I think that's a lot about the agencies then receive political cover to go and create programmes like the Partnership for Sustainable Communities, which was a collaboration between the Department of Transportation, Environmental Protection Agency and the Housing and Urban Development Agency, so that was one. Like the renaming of some of these programmes, it's now been renamed Office of Economic Resilience in this new budget.

It's actually getting cover for regional coordination, and I think that this idea... we go back and forth between a tension of the regions and the cities, but having the recognition that you must see these actors in these new ways and include them in your policy was a big step forward. The sign-off came from Larry Summers, who's the Advisor in the Economic Council; the Met [?] Budget Office; the

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Head of Domestic Affairs within the White House; and the Office of Urban Affairs. I think that is one promising step in the future, and we'll have to see how this plays out with the Congress and the President, moving forward.

**SIMON WILSON:** Thank you. The next event should be on US cohesion policy; I think we'll have some fun with that. Thank you very much, Shin-Pei. I think we're seeing a lot of interesting things coming out of there, and I think it's a very good reminder – and I recall a couple of things; one is the importance of getting the nation states as actors in this, particularly, to your [unclear] point, is that we can't treat all cities the same, we can't expect that all cities will rise up and be able to leverage their position in the same way. That's why we give them that position of influence [?] as well.

I'm interested by the way that you talked about the early steps towards looking at cities as an instrument to the State, but in a sort of disconnected way. For the [unclear] advance [?] we're talking about how only – would you say 15 years ago? – when we talked about urban policy we were really talking about urban deprivation in the EU.

What's next for the plan? I'm sure it won't play out in the same way in the States, but it's interesting to see on both sides of Atlantic the way they've termed these debates, the titles of these offices and these departments, but, also, the nature of these policies are changing over time, faster than you can see.

I'd like to hear from some of you and to get some questions and some comments. I think we can take a round of questions from the floor and then take this back to our panellists.

**IAN CATLOW:** Thanks. Ian Catlow from London's European Office. I wanted to ask a question on this discourse, actually; if you could maybe expand a little bit on this comment that the Council enhances and strengthens the urbanisation [?] and the negotiations. One reason why I ask that is, from our perspective, we're still very much dependent on decisions found in the States for the shape of our programme. In London, for example, we think that we be looking for managing authority status so that we can actually manage the funds in the way that best fits the economic realities of London.

Also, of course, it's up to the member state of the UK to decide exactly what the allocation will be to open it. We're pretty much still dependent on the UK Government to decide the overall discussion on the role of cities, so if you could... If I heard you correctly, I'm interested in expanding the point...

**SIMON WILSON:** Let's take two or three questions and then we'll come back to the panellists.

**ADRIANA CALDERON:** Thank you. Adriana Calderon [?] from Deutsche Post DHL. I have a question regarding urban mobility. It's part of the portfolio of urban policy, and the DG MOVE have already adopted some documents on that, but we have these arrangements [?] from the member states at that stage, a few years ago, to adopt the policy paper and to accept this momentum [?] regarding human mobility, even though it was only on best practice days and...

DG MOVE is working on a new version of this urban mobility. My question is: how do you expect the debate in the Parliament and also in the Council... if we can expect still the good support of the Commission - I guess yes - but in the European Parliament to adopt the best practices regarding availability? [Unclear] very good. Thank you.

**SIMON WILSON:** Thank you very much.

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**MICHAELA KAUER:** Hello. Michaela Kauer; I represent the City of Vienna here in Brussels, which is a nice job. My question is more of this holistic perspective some of you mentioned. It's funny to talk about funds and it's nice to have them when you obviously need them. Talking about Vienna, we have the big chance – we are a city and a land, so we are a region and a city at the same time; we are managing our own money, as managing authority, so we do not pick up that much from the national State on that role [?].

We do observe another problem and that is in fact that there are several areas of policy in the European Union, and especially with the European Commission, that in fact hinder us to develop real investment in real economy sometimes, where we are hindered, in a way, by competition, policy.

My question would be, because there's a lot of money we invest in housing, in streets, in public transport as a city. We think it's an important public good. At the same time there will be some policies at the European Commission which really counter these efforts sometimes, and we have in fact the problem of subsidiarity – you mentioned it – in very many cases. What would be the role of the Commissioner at that point, when he's responsible now for organising that cities have a nice life in the EU, to help us a little bit more on that?

**SIMON WILSON:** I think urban mobility and competition are pretty weighty enough topics together to start the discussion. Who wants to go first? Jan, Dorthe...?

**JAN OLBRYCHT:** I think that each of us as [unclear] in Brussels most of the year, we must wait first. From time to time we have to remind ourselves what the European Union is about. There was a moment in history when I saw some maps printed saying that Europe is the Europe of regions, etc, etc. In fact, what we observe now, which is quite satisfactory for the UK Government, is that Europe is absolutely the organisation of the member states – full stop.

The members of the EU are the member states, and this is more and more important in all the debates, so more important than before. Before, it was just a discussion on what is the competence of a member state in some of the regions; it says no, it's finished. The money belongs to the member states and the member states have a special sphere of [unclear], what to do with their internal policy.

The question is, how can we influence the internal policy? How can we create, going through thematic [?] objectives, going through priorities? This is a very tough debate with the member state, especially when we discuss the problem of cities, the big cities. There's a very clear answer: there is no other way; it's just like the London side and the Warsaw side. What will the structure of the policy be? It's not only a question of funds, but with policy-making, this is a national policy which should be organised in a framework of European policy.

This is even more important during the crisis; during the crisis we were closer, much more national interests are expressed. That's why very often the European Association said, well, okay, what about subsidiarity, what about their competence, etc? No, this is just like... first, it goes to the member states, and the member states should decide.

A very, very clear example – we were discussing [unclear], the history of the last debate was interesting; for example, when Commissioner Hahn, coming from Vienna, who first said here, with that additional money for big cities, a beautiful idea, it disappeared. It was a beautiful idea because it was an effort to policy-making; it was just how to reinforce the big cities, especially in the

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[unclear] country, well, it's an interesting cohesion policy. Can't we make it a more interesting cohesion policy? Let's go to the big cities. It was not acceptable.

The question as well, the Partnership Agreement, this is a new notion. We asked, as members of the Parliament [?], who are the partners in the Partnership Agreement? The same question was asked of some of the member states, [unclear], who are the partners, because either the partners are the European Commission and the Government? This is the problem; can the member states who are the members of the European Union sign a contract with something which is an institution of the organisation? That's why it's not a contract; it's an agreement.

Our question is: is it about the partners, like the regions' cities are partners and, next, they have an agreement with the Commission? After several months the answer was very clear: no, it's not it. The partners are the Commission and Government, and the Government is obliged to prepare it where its own partners - so the partners are responsible [?] to the Government, so London is, for example, partner to the British Government, and the Government is a partner to the Commission.

It's like it works today. We can write about it, but to change it, it should be necessary to make Europe much more integrated - more common projects, more common products - but this is the way it is today.

Urban mobility is a very interesting example, it's absolutely beautiful. I remember Commissioner Barrot, when he started to write urban mobility papers, etc, we asked him, what do you want to achieve by this? What is the goal, because writing the papers about urban mobility, you [?] described it as useless, it's a waste of time? Should we prepare the instruments, for example, saying, for Europe it's important to have this type of urban transport which is not the city problem, it's not the national problem? Very often it's a European problem. The urban mobility around big cities is a European problem; it's not a local problem.

What do you want to achieve? Do you want to write a model or do you want to write a menu for the cities, or can we use your analysis for the structured funds, to use them as the method, as the instruments to achieve the goals? He started a very interesting job, and he was stopped; he was stopped by some of the member states, including the regional authorities, saying that a lot of development is the competence of the cities, so you cannot impose anything on the urban mobility of the cities.

What is the consequence today? DG MOVE is working on something interesting, what we've heard. At the same time, we are preparing the regulation; we are not waiting for it. In fact, in the regulation we have a lot of money for urban mobility. We are not waiting for any document from DG MOVE. It will be interesting.

When you look at the regulations, there was a big stress on urban mobility. We even transferred from the Non-priority to the Priority. Urban mobility is one of the biggest drivers of the structured funds; this is the reality. I don't believe that DG MOVE will do something, because it will be stopped. At the same time, we will introduce money, and money is the best way to open the window of possibility. I think this is the core question.

I was quite struck by your expression - please be careful: don't speak about the Commission policy. There is no Commission policy. Commission is the author presenting the idea; next to it is the very tough debate between the Government and the Council. That's really very tough. In each detail, when the Commission plays a very important role... for example, yesterday we had a meeting, the

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EU were discussing the Council, proposing something very important. The Commission said, you can discuss the service [?], but if you don't agree, and the Council doesn't agree, we will say no and the Council will have the [unclear], so we can stop your debate inside the Council.

This is the real trial, and at the end this is the European policy. Very often [inaudible] along the Commission proposal, very often it's completely changed. That's why it's not the question of submissions [?], that it's not speaking about the Parliament policy, but this is... The reality is different, the reality is... I'm just discovering, through the trial, it's really very interesting, very...

The question on the competence of the cities, and the question is if it can be helped – that's why we welcome the document Cities of Tomorrow. We are absolutely sure that we have in the Parliament... we are absolutely sure that European Union meets its own European Urban Policy, because it exists anyway, because it exists through the funds, so it's policy-making. The question is, do we distribute the funds, or are we making the policy, saying, for example, with urban mobility: for this mobility, yes; for this mobility, no.

It's like the Covenant of Mayors in saying you prepare the energy plan – okay. Do you have an energy plan? Do you have the fast track to the funds for the energy or not? Are you preparing your plan and you will stand as the others, without any fast track? This is something which cannot be accepted. If the cities make the effort they should be guaranteed a fast track, because if they are not on a fast track, it's just ambition. Being a mayor [unclear], coming from the ceremonies, signing something, etc, etc, or like the... I don't want to introduce [unclear] the Italian elections in Rome, but I remember the mayor of Rome who just lost...

**UNIDENTIFIED MALE SPEAKER:** Tisamo [?].

**JAN OLBRYCHT:** Yes. He, during the Covenant of Mayors meeting said, what we are interested in is in preparing the energy plan inside the Covenant of Mayors. We expect that it will be not taken into account in the deficit. Let's use the energy plan to avoid the trap, being the deficit. This is policy-making.

I think this is more and more about cities, but about the problems inside the cities. It's also the question of who will get the money, because if somebody says money is not the most important, the most important is the competence. As far as the money is concerned, the question is, how much money will go to the city and to the place, place-based policy. The other question is, will the city authorities get the money? It's not the same.

I think that we think we don't mind, we are coming from the cities; I used to be the mayor, I also used to be the president of the region. Knowing the cities, I must say that, to be very frank, there are a lot of things in the new regulations that are thanks to the Parliament. Without the Parliament there would be no effort on the urban policy, because in Parliament we are practitioners, we know how this works, so we know that it can be very well done. It's not very modest, but it's...

**SIMON WILSON:** [Inaudible] perhaps. Dorthe, you can choose what you want to expound [?] on from those questions and from the response as well.

**DORTHE NIELSEN:** Yes, thank you. I wanted, first of all, to say to Shin-Pei how refreshing it is to hear something so positive about EU cohesion policy. I've been following you; you've been vocal for the last 18 months or so. There's quite a lot of recognition of the value of the investment on the ground, of course.

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As for recognition of the overall framework, it's not so often that we hear that we are [unclear]. Particularly for the new proposals, which I think for the last 18 months we've been hearing about, what's this thing about, how is it going to work in practice, why is it mostly so complicated, can't it be simpler, how to simplify it - I think it's quite refreshing. Maybe the Commission should engage you to frustrate the regions and managing authorities so that they realise that that is actually part of... that there is quite a normal picture of the whole thing.

Then, on whether the urban dimension on the structured funds has been strengthened or watered down in the process it's been through, I agree that the Commission proposal that came out to begin with was quite strong. The Parliament added elements in there to help it better adapt to different national circumstances, which was probably helpful.

It's true that member states put their foot down particularly on... the Commission proposed a package which would have been really helpful; there was a direct link between the integrated territorial investments, these integrated strategies, and the management of those from cities. This link has been cut, which we see as very unfortunate, and now it would be up to member states to decide if they even use this instrument. It looks like few of them will actually take up the instruments; some courageous member states - Poland, the Netherlands, Finland - will go ahead; others, probably not, which is a shame.

We know that some of the reasons that they're discouraged from using it is that they feel that there's not enough guidance on how to use the instruments. More importantly, whether cities will be able to manage the funds or not is then up to managing authorities. Fortunately, and thanks to European Parliament, there is a deadline, so at least then it will be involved in or will manage closely the selection, which, even though it's a small step, will be a step forward in some areas.

Obviously, this relates to the question on competences, because there is still the debate about whether you should delegate funds or not to cities. The delegation is about creating, in a way, the ownership, with effectiveness in the implementation, cutting out the extra layer of the managing authority or the member states, which sometimes is seen as gold-plating the regulations as additional layer of requirement decreases the effectiveness of the implementation of the funds on the ground.

There has been in the debate great hesitation towards the delegation on: will cities be able to manage the European funds? It's difficult to manage and it's possible that smaller cities will be too much of a burden. Have they got the administrative capacity? Of course, all these questions are valid. They should always be linked to what size of funds we are talking about.

Some of the arguments that we were presented with was that there is already the opportunity of global brands in the current funding period, global brands that can be dedicated to a subregional authority; they're not used, so why should we even have an instrument in this round?

The global brands have often been such a small sum, such a small amount of money that it's simply not worthwhile for the city to take up the management of it; it's too much, it's too cumbersome compared to what's in it. We were arguing that we needed at least an obligation on managing authorities to offer the possibility to manage the funds to the cities, and then it should be up to the cities to accept or reject. This is part of the things that member states found it too difficult to accept.

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On an EU Urban Agenda, it's impossible, being from Eurocities, now to comment on an EU Urban Agenda. It's obviously an interesting idea, particularly with this platform of initiatives that comes out of the Commission, that all main cities, in one way or the other... As far as what you're saying, if any policy is, of course, endorsed by EU member states an EU Urban Agenda wouldn't have to be so, as well...

It would nevertheless help maybe direct EU policy so that, for example, internally, in the Commission, if policy solutions work in the same direction, for example... we spoke about urban mobility, but there's also air quality issues, where standards that were set in one part of the Commission are then undermined by requirements for variables that are set in another part of the European Commission.

If there was a European Urban Agenda that was all pulling in the same direction, then there might be helpful for the more global branding.

**SIMON WILSON:** Thank you. Wladyslaw?

**WLADYSLAW PISKORZ:** One point which... the way the Commission, the Council and the Parliament, this change has been approved, this urbanising, I fully share this statement of Mr Olbrycht, and this person's contribution is really remarkable and...

I would add that that's okay. Most of this expansion and improvement was planned with support of the Parliament, but I will not take out the role of the Council. It has started in the Council, really at a very low level; only a few member states were able to agree to delegation of the cities. You could imagine that the talks and renegotiation would reach the support of the Council on this point.

Also, the integrated total investments on the proposal of Council now to be financed by all structured funds, the Commission proposal was that, on the regional structured cohesion fund, that this was the proposal to the Minister [?], to the second [unclear], and the Parliament supported it. I will turn also to mention therefore this role in the Parliament not to just limit the support for the cities, but also that there's linkage between the urban and rural areas.

Now there's this reference to the linkage between urban and rural; it's mentioned in Article Seven of the Urban Development and also in the proposal of the Parliament to the City Networking Programme, and also how urban and rural are linked. There are a lot of elements which have come out during the process and we are very pleased, the Commission, with this development.

On sustainable urban mobility, we have an obvious [unclear] from DG MOVE – I'll tell you more about this – the work that is going on in DG MOVE, that is currently ongoing, which should facilitate funding which should give some insight for the services to be selected by the next [unclear], either soft or hard legislation of other... The idea, I think, is right, and Mr Olbrycht was right; we are not waiting for our legislation to have the sustainable mobility passed, but I think it will be proved that we will make progress towards this.

When we are talking with the other sets about the grounds for the stuff about urban mobility, we don't yet have the obligation to have sustainable urban mobility plans. We may argue that this is important for satisfaction [?]. If you would like to be successful with your urban mobility, it's better to just have this type of plan or strategy.

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When you are discussing with the member states' authorities about the plans for resource efficiency and reduction of the pollution [unclear], we also argue: do you have proper land use planning system, even if this is not the competence of Europe? It doesn't make sense if you work and you spend a lot of your money to finance public transport for an area which is a big urban sprawl, people are scattered over big distances. Which way do you manage to finance the transport?

On the other hand, the member states don't care very much, they let development build the construction everywhere, regardless of whether this is costly or not, to provide public transport. You see that there is a point for us to argue in the negotiations.

Concerning this implication of the European voices, this is the area of interest of the organisation like Eurocities, and others will follow exactly what is going on in the Commission [unclear]. Eurocities seem like they always present what are the implications for cities. Inside the Commission, within the Centre for Urban Development, we also try to ensure better coherence in this area.

**JAN OLBRYCHT:** Can I have a very short reply [?]? To give you the example about urban mobility, we proposed to Commissioner Barrot: why not write in the document that if any of the cities of Europe want to have money for urban mobility, it's absolutely mandatory to have the urban mobility plan; make it obligatory. The answer from the Commissioner was: we cannot do it. I said, why? Because the member states will never accept our imposing it on them. We have the money and we use the money for the policy-making, so if we give the money for policy-making we should have the criteria.

I think they need to believe us that the cities will not oppose, because it's not against the cities. Cities are not required to do it. You are creating the obstacles, using the argument that cities are not prepared. The cities are prepared to do it. There is no problem, even... it will allow the mayors to have more legitimate... because they have the argument to prepare the good plan.

This is the philosophy: we cannot touch it because... this is what he said. This is not European policy. That's why I just... a very concrete argument. That's why we are pushing the Commission – sorry to say that: be brave, do it. If you don't do it, you will leave it to the member states, and then you'll never know what will happen. This is European policy-making, and this is nothing against it, really. This is something which is in it [?], so this is why this is the way of doing it.

**SIMON WILSON:** Let's go to Shin-Pei, because I'd like to have a last round of questions if there's time before we close. Shin-Pei?

**SHIN-PEI TSAY:** I think, just really quickly, in response to all these wonderful comments and the few questions, I guess my head is spinning a little bit; I'm trying to think about connections in terms of transferability. We don't have long-term planning as strongly as the Europeans do.

I think one aspect is looking at the practitioner's perspective of what is pragmatic, why are cities more involved, why are they such good problem-solvers? They have access to the citizens, they're inherently cross-sectoral, their approach to operations is completely different to all the ways that we think about framing these problems.

One of the things I was thinking about a lot is what exactly is this role? If you were to put yourself in the position of a city manager in order to look at these available funds and trying to meet all of

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these different conditions, what are some things that a manager would ask? Do I have access to this funding?

In the United States, one way of getting around these states – I don't know if it's possible here with the member states, I don't think so – but one way of getting around the states is to say anyone could apply for competitive grants from the federal agency. There are some programmes where you can do that now if you can show cost benefit that includes social, environmental and economic benefit beyond just the typical, like the direct costs and benefit. That was really interesting.

It created this problem, though, where the states were very upset about the programme because... and wanted to push the cities downward. The cities were trying to rise and the states pushed them down, because that meant that the states then needed to support their project ahead of all these other plans that they had already created. That is a challenge that's coming forward.

The leverage of funds, actually – so do the cities know how to take this funding amount and then finance projects so that they can be completed? Then this whole capacities thing – we won't have a lot... what is at the local level, the even distribution of competence and capacity in order to execute all these issues, is something that we have thought a lot about. It's very, very difficult because of the geographic variations and economic differences across the United States, but I think also in Europe.

Actually, recently, we did a study on our national policies' role in urban mobility, so what is the best way of supporting cities, because they're the ones who are executing, they're the ones who are making those national goals, they're reaching the national goals, they're the ones making that happen.

It was interesting that policy-makers talked about lack of capacity. The national policy-makers were talking about lack of capacity at the local level. The local policy-makers were talking about lack of capacity at the national level. Everyone talked about lack of capacity. There are very common challenges across the world, actually. This study was done on Brazil and China; it was developing countries – Brazil, China, Mexico and India.

I think what you're showing us, the rest of the world, in a way, is how you create a thematic framework and then work through these challenges in order to make the cities rise and meet these goals.

**SIMON WILSON:** Thank you, Shin-Pei. We're running out of time, so we'll make you a deal: we're going to have a round now which is called the Drinks and Conversation-fuelling Round. We're going to have a few more comments and questions from you, which, if we've got time, we'll go back to the panel. If not, it will be the fuel for our discussion upstairs, because I really want to hear some more views. Please, some quick comments and questions – please go ahead.

**MATTHEW GERT SAECHERTS:** Hello. Matthew Gert Saecherts [?] from Agrivita [?], from Silesia, Poland. I have a question – I'm now working for the Green Group of the European Parliament – because when I look at the title, we talk about cities, you have... we are living in Brussels, it's actually 19 cities in one region.

When you live in Silesia you have the connotation of coming from Gliwice to Katowice, which is [unclear] region. There is a discussion about the matter of volatile [?] region. The same thing covers the US, with a belt of cities which are probably distributed around different states.

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I just want to have your views about... because, actually, we talk about cities like they were a clear subject of policy, but, actually, they are so complex inside that... What is your take on this? Thank you.

**SIMON WILSON:** Brussels' regional policy – we need at least two glasses of wine before we [inaudible].

**PAVLO STOMACCIO:** Pavlo Stomaccio [?] from the Mobile Head of Ideas Unit [?]. I actually would like to... Mr Olbrycht on the Commissioner's proposal on the Urban Mobility Package. I was just wondering who [unclear] that we do this – is it the European Parliament and DG MOVE? In that proposal, you will see that the working conditionality, funding available to those cities that actually have installed [?] some; at least that's what strategically everyone would have planned [?]. Would you mind that [inaudible] that very quickly? That's one thing.

Secondly, the question that I have is for you and the other panellists, it's about this European Innovation Partnership on Smart Cities and Communities, where there isn't much funding available now. I'm thinking about trying to use our regional development [?] budget as a funding instrument. I'm just wondering how you think we could maybe use a regional development fund or a cohesion fund to support this, what we consider a great initiative. Thank you.

**SIMON WILSON:** We'll take one or two more comments, then, and then we're moving very... it's going to be a quick-fire 30 seconds to the panellists to conclude. Go ahead.

**JORGE COLONIUS:** A very fast, slightly controversial comment/question. My name is Jorge Colonius [?], I'm from the Centre for European Policy Studies. When you look at city states and so on, I think that one of the things - and I think this is really EU policy, and it's damaging, I think, cities quite severely – is the fact that when you look at the statistics, for example, Brussels is the third richest city in Europe.

When you actually look at the fact sheets, the average income of citizens in a month, you will find that Brussels has some of the poorest regions in the whole of Belgium because the money goes to people paying taxes elsewhere [?] – poor, literally. Everything is rich around Brussels, except the poor region of Brussels; even [unclear] is poorer than its neighbours in the region. This is one thing.

Another – every city is the same, and urban Brussels... and you can see this everywhere. Statistically, because there is so much money going through the cities, not actually being lumped [?], but through, all the cities are so incredibly rich, but they aren't. This makes big damage to regional policy. How can you justify diplomatically or statistically [unclear]?

**SIMON WILSON:** Interesting, thank you. Last comment or question? We'll continue the conversation upstairs, but if you'd like to give a last couple of thoughts, we'll go to all four of you. Jan, do you want to start off [inaudible]?

**JAN OLBRYCHT:** Yes, thank you. I'm very sure I'm satisfied this morning, and the question of conditionality and regional [inaudible]. I don't want to open Pandora's Box about Smart Cities; for some people around Europe, Smart means intelligent, it means good. This is the contradiction: it's smart, good and something which is, on the other side, bad or stupid. I'm not joking. I've taken part in many conferences saying that everything should be smart, even the Code of Ordinance [?] created smart controls.

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In contrast, Smart Cities was absolutely mobilised by DG Energy. Now it's broadened to DG MOVE, but still Smart is a name some people... we know that Smart Cities will resort [?] to the urban, for different integrated elements, and Smart will be a question of thinking about the city and managing the city. I absolutely am sure that inside the idea that today we are working on there will be money for this kind of understanding.

If we have secularisation we will just have the platform with a very, very amount of money; I don't think that's good. I called this... the platform will be stabilised using the structured funds as a real pick among the [unclear].

**SIMON WILSON:** Thank you. Dorthe?

**DORTHE NIELSEN:** Maybe just on Jorge's comment on whether cities are rich or poor, obviously this is very interesting, it's a big dilemma and it has an impact on a huge number of issues. We've recently raised the issue when it came to the Youth Employment Initiative as well as to how you calculate unemployed that you have in your cities, compared to the regional data. It's about the way you gather your data.

This also refers to what the colleague from the city region was saying, that the collection of data really needs to be maybe adapted to where the policy solutions are to be found, and maybe we should consider if it needs to be done increasingly and maybe a function of area level rather than within city boundaries, with their administrative boundaries, and then this is at regional level which maybe doesn't really fit where maybe people are working, where they're living or [unclear].

I thought it was quite interesting on that, something that was raised recently within Eurocities, was what is it that cities can then do to actually keep the taxpayers in the city, and that is something that a city like Copenhagen, for example, has successfully managed to do, which has grown the tax base of the city tremendously. They are using this money to regenerate former industrialised areas into Smart City, into areas that have low carbon or that drive the low carbon agenda for the city. I think that's the question: what do you do to keep your taxpayers in?

**SIMON WILSON:** Thank you.

**WLADYSLAW PISKORZ:** On the definition of city, the Commission doesn't provide a definition to member states. Only for statistical reason we have agreed with the Commission, the OCD [?], on how we maybe deliver urbanisation based on the density. Each member state has its own definition of cities. Somebody told me that in England a city is recognised if there is a cathedral, so that... we are not able to import any clear definition on cities.

On Smart Cities and Communities, this is a very good step; these sectors - energy, transport and ICT - have decided to come together to benefit from the synergies. This is a step in the right direction. I'm sure that this will [unclear] things moving forward. Our cities should be smart, sustainable, and technology plays a supportive role. Cities are really attractive for the suppliers of technology because of conservation of resources [?].

**UNIDENTIFIED MALE SPEAKER:** Do you know that DG REGIO joined the group when they... joined the Union for Urban, not being in the Smart Cities?

**SIMON WILSON:** Shin-Pei?

*Transcript Not Checked Against Delivery*

**SHIN-PEI TSAY:** I think, in terms of complexity, policy-making tends to be a little trendy; you like the phrases: big data, Smart Cities, created class, let's just make sure the young people stay in town and don't move to the other big cities... I think what is often left out of the plans, especially from the municipal level, is the fundamentals of maintaining your base, your revenue base. When it comes down to public revenue, there are generally not too many different ways of doing it; you just have to get it, keep it, leverage it. That's my summary of many of these comments.

**SIMON WILSON:** I'd like to apologise for keeping you six minutes late. I'd like to thank Carnegie Europe for co-hosting, and I'd like to ask you to join us, just to pick up some more of these topics of conversation upstairs, for a drink, after you've thanked all of our wonderful panel. Thank you very much.

[Applause]