THE PROMOTION OF INTEGRATED SUSTAINABLE URBAN DEVELOPMENT BY THE EUROPEAN UNION AND ITS APPLICATION IN ARAGÓN

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SUMMARY
Europe 2020, a strategy for Smart, sustainable and inclusive growth, wants to mark a new beginning in which Europe emerges stronger from the economic and financial crisis. This strategy aims at a different type of growth, smart, sustainable and inclusive, and it seeks to create the right conditions to achieve such kind of growth. All these aspects are especially involved in cities, because they are spatial concentrations of human activity and interactions between their inhabitants. In line with this importance of cities in implementing the Europe 2020 strategy, the urban dimension of Cohesion Policy has been significantly strengthened for the 2014-2020 period.

In the case of the ERDF, Member States are now obliged to allocate at least 5% of their national ERDF budget to support integrated sustainable urban development strategies. In this paper we analyse the regulation of this new tool aimed at achieving sustainable and integrated urban development and its implementation in the Autonomous Community of Aragon.

KEY WORDS: Integrated, Sustainable, Urban, Development, Strategy
Introduction: Europe 2020 Strategy

“Europe 2020 A strategy for Smart, sustainable and inclusive growth COM (2010) 2020 final” wants to mark a new beginning in which Europe emerges stronger from the economic and financial crisis. This strategy sets three priorities: smart growth, sustainable growth and inclusive growth, and sets up the definition and the clues for each one of these priorities. According to the Strategy 2020, smart growth is based on the development of knowledge and innovation as drivers of the future growth. This requires improving the quality of the education, reinforcement of the research performance, promoting innovation and knowledge transfer throughout the Union, making full use of information and communication technologies and ensuring that innovative ideas can be turned into new products and services that create growth, quality jobs and help address European and global societal challenges. In order to succeed, this must be combined with entrepreneurship, finance, and a focus on user needs and market opportunities.

By sustainable growth the European Union means the promotion of a resource efficient, greener and more competitive economy. That involves exploiting Europe’s leadership in the race to develop new processes and technologies, including green technologies, accelerating the roll out of smart grids using Information and Communication Technologies’, exploiting EU-scale networks, and reinforcing the competitive advantages of businesses, particularly in manufacturing and within Small and medium-sized enterprises, as well through assisting consumers to value resource efficiency. Such an approach will help the EU to prosper in a low-carbon, resource constrained world while preventing environmental degradation, biodiversity loss and unsustainable use of resources. It will also reinforce economic, social and territorial cohesion.

Finally, inclusive growth fosters a high-employment economy delivering economic, social and territorial cohesion. Inclusive growth means empowering people through

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2 The Commission has put forward several flagships initiatives to catalyse progress under each priority theme. For smart growth there are three of them: Innovation Union, Youth on the move, and A digital agenda for Europe.

3 The flagships initiatives for this objective are: Resource efficient Europe, and An industrial policy for the globalization era.
high levels of employment, investing in skills, fighting poverty and renovating labour markets, training and social protection systems so as to help people anticipate and manage change, and build a cohesive society. It is also essential that the benefits of economic growth spread to all parts of the Union, including its outermost regions, thus strengthening territorial cohesion. It is about ensuring access and opportunities for all throughout the lifecycle. Europe needs to make full use of its labour potential to face the challenges of an ageing population and rising global competition. Policies to promote gender equality will be needed to increase labour force participation thus adding to growth and social cohesion⁴.

So, Europe 2020 aims at a different type of growth, smart, sustainable and inclusive, and it seeks to create the right conditions to achieve such kind of growth.

This is in line with Article 3 (3) of the Treaty on European Union (consolidated version), which is one of the underlying objectives of the Union's economic and social policy:

“The Union shall establish an internal market. It shall work for the sustainable development of Europe based on balanced economic growth and price stability, a highly competitive social market economy, aiming at full employment and social progress, and a high level of protection and improvement of the quality of the environment. It shall promote scientific and technological advance.

It shall combat social exclusion and discrimination, and shall promote social justice and protection, equality between women and men, solidarity between generations and protection of the rights of the child.

It shall promote economic, social and territorial cohesion, and solidarity among Member States.

It shall respect its rich cultural and linguistic diversity, and shall ensure that Europe's cultural heritage is safeguarded and enhanced.”

All these aspects are especially involved in cities, because they are spatial concentrations of human activity and interactions between their inhabitants. As it is said in the Cohesion Policy 2014-202 (European Commission, March 2014), cities are the engines of the European economy providing jobs and services and they work as promoters for creativity and innovation throughout the EU. Nowadays, most of the EU

⁴ The flagships initiatives for this objective are: An agenda for new skills and jobs, and European Platform against poverty.
population lives in an urban area. Some studies set that this amount is around 70% of population. Besides, cities generate more than two thirds of EU’s Gross domestic product. Nevertheless, in the cities there are concentrated some persistent and important challenges, such as unemployment, segregation, gentrification and poverty, as well as severe environmental pollution problem.

Indeed, Urban areas face different challenges related with economy, environment, climate, society and demography, which cannot be dealt with separately. Success in urban development requires an integral perspective of the different problems. For these reasons, in the Integrated Sustainable Urban Development Regional policy of the EU is considered that policies pursued in relation to urban areas have a wider significance for EU as a whole. And measures relating to physical urban renewal must be combined with measures promoting economic development, environmental protection, education and social inclusion. Moreover, in order to achieve real change, it will be essential to involve civil society, the local economy and the various levels of government. Only in this way will it be possible to achieve successful, sustainable and citizen-accepted results.

According with the European Union, this approach is particularly important nowadays, given the seriousness of the challenges facing European cities today. They range from specific demographic changes, through the consequences of economic stagnation in terms of job creation and service provision, to the impact of climate change. The smart, sustainable and inclusive society envisaged in the Europe 2020 Strategy will only be possible if effective responses to these challenges are identified.

In line with this importance of cities in implementing the Europe 2020 strategy, the urban dimension of Cohesion Policy has been significantly strengthened for the 2014-2020 period. As we have mentioned, this is particularly evident in the case of the European Regional Development Fund (ERDF), where Member States are now obliged to allocate at least 5% of their national ERDF budget (under the Investment for Jobs and Growth goal) to support integrated sustainable urban development strategies in which urban authorities shall be responsible for at least tasks relating to the selection of operations. In addition, new tools have been introduced to promote innovation and experimentation in the field of urban development (Urban Innovative Actions, Article 8
ERDF) and to deepen the debate on the implementation of the urban dimension (Urban Development Network, Article 9 ERDF).

In the same way, article 5 of the ERDF regulation contains a number of investment priorities within the thematic objectives supported by the European Structural and Investment (ESI) Funds with urban-specific approach e.g. promoting low-carbon strategies for urban areas, including the promotion of sustainable multimodal urban mobility and mitigation-relevant adaptation measures (art. 5.4, e); improving the urban environment, in order to revitalize cities, regenerate and decontaminate of brownfield sites, reduce air pollution and promote noise-reduction measures (art. 5.6, e); promoting social inclusion, combating poverty and any discrimination through supporting the physical, economic and social regeneration of deprived areas (art. 5.9, b). These investment priorities could be embedded in the integrated urban development strategy of an urban area (Article 7 ERDF regulation), complemented by actions supported by the European Social Fund (ESF) under its investment priorities (Article 3 of the ESF regulation).

While the scope of the EU-funded investments in urban areas is quite broad (e.g. at least 50% of the ERDF and other Commission initiatives focusing on urban areas), European Commission approved the Guidance for Member States on Integrated Sustainable Urban Development in order to answer the questions and to solve the doubts from national, regional and local authorities concerning the implementation of integrated sustainable urban development as laid out in Article 7 ERDF. It reviews the key elements to be defined in the programmes, and provides information linked to delegation to urban authorities, the design of integrated strategies and the monitoring and evaluation of progress.

II Spain Partnership Agreement and Operational Programme for Sustainable Growth 2014-2020

In Spain, the Spain Partnership Agreement 2014-2020, approved by the European Commission on 30 October 2014, and the Urban Axis within the Operational Programme for Sustainable Growth (POCS stands for Spanish acronym “Programa Operativo de Crecimiento Sostenible”) 2014-2020, define the framework under which
the European Structural and Investment Funds have planned to support the development of Sustainable and Integrated Urban Development Strategies in cities and functional areas in the 2014-2020 programming period.

In them, it was intended to give continuity to the experience in regeneration and urban development actions co-financed by European Union Structural and Investment Funds. These are mainly actions implemented since 1989, both within the framework of the Community initiative URBAN (pilot projects, URBAN I and URBAN II), as well as the Urban Initiatives and Other Local and Urban Development projects for the period 2007-2013.

According to the Integrated territorial and urban strategies: how are ESIF adding value in 2014-2020? Final report (pages 6-7) “Territorial provisions have played a relatively small but significant role in previous programme periods”. For example, the Urban Community Initiative, encouraged urban areas and neighbourhoods to design innovative, integrated urban development measures. It was launched in 1994-99, continued in a second period (2000-06), and was finally integrated into the Investment for Growth and Jobs programmes in 2007-13 period. As part of the European Territorial Cooperation programme, URBACT was set up in 2003 and has sought to foster sustainable integrated urban development in cities across Europe. URBACT was mainly a knowledge-exchange platform, enabling networking between cities and identifying good practice. The LEADER approach was established in 1991 and has become an important element of rural development, and since 2007 it has also been used within the European Maritime and Fisheries Fund to support sustainable development in fishing communities. Community-Led Local Development was introduced for the 2014-20 period, based on the LEADER instrument.

The new emphasis on integrated place-based approaches under Cohesion policy in the 2014-20 period follows from the formalisation of territorial cohesion as an objective for the EU in the Treaty on the Functioning of the EU (TFEU) and the subsequent regulations for European Structural and Investment Funds approved in 2013. According to the Territorial Agenda of the European Union⁵, territorial development

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policies should address the following issues: 1) increased exposure to globalisation and structural changes caused by the global economic crisis; 2) new challenges for European integration and growing interdependence of regions, territorially diverse demographic and social challenges, and spatial segregation of vulnerable groups; 3) climate change and environmental risks that have geographically diverse impacts; 4) growing energy challenges threatening regional competitiveness; and 5) loss of biodiversity, and growing vulnerability of natural, landscape and cultural heritage.

The nature of these challenges is thought to require an integrated mix of interventions in order to increase their impact and to exploit fully the development potential of different types of territories. There is a particular focus on fostering sustainable urban development through integrated strategies in order to strengthen the resilience of cities.

We have previously mentioned the previous funding periods that had an impact on urban development. In the 2014-20 period, there are a number of important differences compared to previous periods, which are mentioned in Integrated territorial and urban strategies: how are ESIF adding value in 2014-2020? Final report (pages 7-8), Overview of territorial provisions in the 2014-20 period.

First, the overall allocation of funds for integrated site-based approaches has increased. According to the indicated territorial implementation mechanisms in the Operational Programmes, around nine percent of the Cohesion policy budget (EUR 31 billion) will be spent through the various territorial provisions. Second, there is a regulatory requirement for integrated site-based approaches in cities. Third, emphasis is placed on the integrated approach in general. Fourth, there is a need for more information on the implementation of integrated place-based approaches at the programme level. Fifth, more attention is given to the dissemination of knowledge (e.g. guidance, scenarios, participation in urban networks, peer review, etc.).

The use of Article 7 for the implementation of the ERDF makes integrated urban development a mandatory feature of the ESIF regulation. One of the main objectives of the approach is to empower cities. As such, a novel feature of the regulation is the requirement to delegate implementation tasks to cities for programmed interventions as part of the minimum five percent participation of the ERDF in implementing Sustainable Urban Development (SUD). In addition, the regulation encourages the introduction of
innovation and experimentation (Urban Innovative Actions, Article 8 of Regulation 1301/2013) and the introduction of an Urban Development Network to deepen the discussion on the implementation of the urban dimension (Article 9 of Regulation 1301/2013).

Once we have drawn up the general European framework, it is time to refocus on its implementation in Spain. The Spanish Central Administration, through the Directorate General of Community Funds of the Ministry of Finance and Public Administrations, programmed an Urban Axis within the Sustainable Growth Operational Program (POCS) 2014-2020, entirely dedicated to financing lines of action for Sustainable and Integrated Development.

The approach of the Strategies for integrated sustainable urban development (EDUSI according to the Spanish acronym) is new. It has progressed from the concept of urban regeneration to the broader concept of sustainable and integrated urban development. Under this approach, it is necessary to analyze and identify the challenges and diverse objectives present in the city that the strategy must address for the whole urban complex, from which a strategic approach must be proposed and a scope of action defined, which can range from a very specific aspect to the whole town.

The POCS for the period 2014-2020 was launched in October in order to channel funding from the ERDF in Spain. The launching of the POCS was followed by the launch of the call for proposals, made by the Ministry of Finance and Public Administrations, for the presentation of EDUSI. This is a prerequisite for financing actions and projects within the Thematic Axis of Sustainable Urban Development whose fundamental objective is to improve the quality of life of cities in an integrated way. That is to say, including aspects ranging from social cohesion and the fight against poverty to the promotion of the low-carbon economy, environmental sustainability and the optimisation of resource use.

According to the information published in Lamoncloa.gob.es, a total of 123 Spanish cities already have an EDUSI.

The first round of funding showed that the development of EDUSI was an unprecedented success for local authorities in Spain, not only because of the amount
of resources allocated but also because of the value contributed by the EDUSI selected.

Practically all municipalities with more than 50,000 inhabitants and 44% of those with 20,000 to 50,000 inhabitants presented strategies in the first round of financing, resulting in almost 70% of municipalities with more than 20,000 inhabitants being able to propose and implement EDUSIs. From the second round of financing, it should be noted that practically all municipalities with more than 20,000 inhabitants that could apply for this funding have presented strategies.

As in the first round of funding, all strategies were independently evaluated by the State Secretary's Office for Budgets and Expenditure, the State Secretary's Office for Regional Authorities and the Ministry of Public Works. They were also examined by three sectoral departments with experience in the areas of Information and Communication Technologies (Red.es), Transition towards a Low-Carbon Economy (Energy Diversification and Saving Institute [Spanish acronym: IDAE]) and Social Inclusion and the Fight against Poverty (European Social Fund), as well as by the specific networks responsible for Environment Affairs and Equal Opportunities. The meetings of the Assessment Committee were also attended by more than 30 specialists and representatives from the European Commission.

The last round of financing includes financial support for 30% of the total allocation foreseen in the ERDF's POCS, amounting to 297.5 million euros. Therefore, the total amount of both rounds is practically EUR 1,010 million of ERDF funding under the urban axis for this programming period.

This second round of funding maintained the three funding categories of the first round of funding:

- For cities or functional areas with more than 100,000 inhabitants, the co-financed ceiling was 15 million euros
- For cities or functional areas with more than 50,000 inhabitants and less than 100,000 inhabitants, the co-financed ceiling was 10 million euros
- For cities or functional areas with more than 20,000 inhabitants and less than 50,000 inhabitants, the co-financed ceiling was 5 million euros
As we have said before, a minimum of 5% of the ERDF resources allocated to each Member State shall be invested in the implementation of integrated strategies for sustainable urban development. This funding rate is a step forward, but it is clearly insufficient to enable cities to cope with the many and persistent challenges they face. In addition, the integrated approach to investment in cities aimed at ensuring positive and sustainable outcomes requires even more funding, as it is not enough to invest in a specific area or problem. In the Cohesion policy 2014-2020, European Commission, March 2014 there are several options as to how these strategies can be financed: first, using the new Integrated Territorial Investment (ITI) tool; second, by means of a specific operational programme; or third, through a specific priority axis (Article 7(2) of the ERDF regulation).

Depending on GDP per capita in the EU, different co-financing rates are set by ERDF funds, ranging from 50 to 85%. The map made by the European Commission (Cohesion Policy) that shows the Structural Funds (ERDF and ESF) eligibility 2014-2020, by region is very illustrative (www.ec.europa.eu/regional_policy, www.ec.europa.eu/esf).

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6 According to the first conclusion of the Executive Summary “Integrated Territorial and Urban Strategies: how are ESIF adding value in 2014-2020?”, page 7, many Member States are exceeding the minimum five percent of funding reserved for sustainable urban development, with allocations in the range 10-20 percent in Belgium, Bulgaria, Cyprus and Romania.

7 Cohesion policy 2014-2020, European Commission, March 2014 “The Integrated Territorial Investment (ITI) is a new delivery mode to bundle funding from several priority axes of one or more operational programmes for multi-dimensional and cross-sectoral interventions. An ITI can be an ideal instrument to support integrated actions in urban areas as it offers the possibility to combine funding linked to different thematic objectives, including the combination of funding from those priority axes and operational programmes supported by the ERDF, ESF and Cohesion Fund (Article 36 of the Common Provisions Regulation). An ITI can also be complemented with financial support from the EAFRD or the EMFF.”
We have previously mentioned that the Spanish Central Administration, through the Directorate General of Community Funds of the Ministry of Finance and Public Administrations, programmed an Urban Axis within the POCS 2014-2020, entirely...
dedicated to financing lines of action for Sustainable and Integrated Development. The above-mentioned urban axis was endowed with 1,012,754,015 euros of ERDF for the whole period, financing which is aimed at municipalities or groups of municipalities that constitute an urban functional area, with a population of more than 20,000 inhabitants.

The POCS 2014-2020, participates in the 2020 Strategy, focusing its efforts on 4 priority axes and another one of technical assistance. These axes are: Axis 4: low carbon economy; Axis 12: integrated and sustainable urban development; Axis 6: water quality; Axis 7: sustainable transport; and Axis 13: technical assistance.

III What is meant by Integrated Sustainable Urban Development?

Sometimes, although EDUSIS has been approved, these are not really city strategies, but rather they are limited to incorporating a more or less articulated list of necessary actions in certain urban areas. On other occasions, however, EDUSI has understood the true scope of this tool. Such is the case of Avilés, a city of Asturias, which clearly understands the value of having a shared vision.

As set out in “EDUSIs and strategy for the cities” (EDUSIs y Estrategia de Ciudad https://ciudadinnova.blogspot.com.es), they set out in their document:

“Every city in the world shares a mission: to improve the quality of life of its citizens.

Starting from this idea, each city must establish a clear vision of the future shared by all the agents involved in it. This vision must be consolidated in a basis of objectives, on which we will work for the future.

To achieve them, the city must identify and promote those assets on which to boost competitive advantages for the city and articulate smart, sustainable and inclusive growth in the city of Avilés.

But it is also necessary to raise the priority problems that need to be addressed by defining an integrated sustainable urban development strategy (EDUSI) with the aim and perspective of transitioning to a low-carbon economy, protecting the environment, improving the use and quality of, and access to, ICTs, economic development and social inclusion.”
All cities in the world "share a mission: to improve the quality of life of their citizens". Indeed, this is the main and general objective of all cities, regardless of their size or circumstances. Achieving this better quality of life for cities will require progress in a number of areas: improving social cohesion, the economy, mobility, security and environmental sustainability, among others. As these are generic and common objectives for all cities, they will not be useful to highlight one city over another, to provide it with a differentiating element.

Following the above statement, the EDUSI of Avilés states that "each city must establish a clear vision of the future shared by all stakeholders". He adds that this vision of the future must be built on the basis of "creating competitive advantages" for the city "in order to articulate smart, sustainable and inclusive growth". In other words, this vision should be specific to each city, something that differentiates it from the others and makes it stand out.

Finally, in addition to this vision of the future, and in parallel with its deployment, the city must also solve the priority problems it has. In the case of cities that are financed by their EDUSI with European funds, ideally they should be able to use these funds, not only to solve problems and shortcomings of the city, but also to reinforce its competitive advantages. And, in order to do this, the city needs a clear and shared vision of the future, a Future Plan.

The EDUSIS take the form of a grant, awarded in response to proposals made by cities according to the number of inhabitants. The maximum amount that could be obtained per Autonomous Community was established in the POCS 2014-2020 and is included in article five of the "Orden HAP/2427/2015, de 13 de noviembre, por la que se aprueban las bases y la primera convocatoria para la selección de estrategias de Desarrollo Urbano Sostenible e Integrado que serán cofinanciadas mediante el programa operativo FEDER de crecimiento sostenible 2014-2020" published in the BOE of 17 November 2015.

Article 5 provides, firstly, that the operations selected shall be co-financed from ERDF resources. The co-financing rates applicable for each Autonomous Community (AC) where the Strategies are implemented will be those set out in point 55 of the European
Council Conclusions of 7 and 8 February 2013 on the Multiannual Financial Framework.
The amount given to each autonomous community follows the distinction between less developed regions (GDP/head <75% of EU-27 average), transition regions (GDP/head between 75% and 90% of EU-27 average) and more developed regions (GDP/head >= 90% of EU-27 average). According to that, the ERDF aid allocated in the POCS 2014-2020 for the EDUSI distributed by Autonomous Community is:

<table>
<thead>
<tr>
<th>Autonomous Community</th>
<th>Total ERDF aid per AC (thousands of euros)</th>
</tr>
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<tbody>
<tr>
<td>Extremadura</td>
<td>73.302</td>
</tr>
<tr>
<td><strong>Subtotal less developed regions</strong></td>
<td><strong>73.302</strong></td>
</tr>
<tr>
<td>Andalucía</td>
<td>344.274</td>
</tr>
<tr>
<td>Castilla-La Mancha</td>
<td>63.062</td>
</tr>
<tr>
<td>Murcia</td>
<td>39.070</td>
</tr>
<tr>
<td>Canarias</td>
<td>70.986</td>
</tr>
<tr>
<td><strong>Subtotal transition regions</strong></td>
<td><strong>517.392</strong></td>
</tr>
<tr>
<td>Galicia</td>
<td>118.768</td>
</tr>
<tr>
<td>Com. Valenciana</td>
<td>118.616</td>
</tr>
<tr>
<td>Asturias</td>
<td>25.308</td>
</tr>
<tr>
<td>Castilla y León</td>
<td>38.519</td>
</tr>
<tr>
<td>Cantabria</td>
<td>3.891</td>
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<tr>
<td>Baleares</td>
<td>12.710</td>
</tr>
<tr>
<td>La Rioja</td>
<td>1.962</td>
</tr>
<tr>
<td>Aragón</td>
<td>8.888</td>
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<tr>
<td>Cataluña</td>
<td>47.556</td>
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</tbody>
</table>
One of the essential aspects of EDUSIS is the existing funding and how to distribute it. However, it is also very important to know the Key principles regarding the Integrated Urban Strategies. To know and comment on this aspect, we will follow the established in point 2.3.2 of the Guidance for Member States on Integrated Sustainable Urban Development (Article 7 ERDF Regulation) (pages 8-9).

The regulation does not go into detail on the content of integrated urban strategies, but there are nine key principles recommended to be taken into account.

Firstly, the integrated urban strategy should not be seen as an administrative exercise which an urban authority has to complete in order to be eligible for the financing provided for in article 7 of the ERDF. It should be a comprehensive and evolving strategy that truly serves urban authority and helps to address key challenges.

Secondly, it must be based on the real development needs of the area concerned following a sound territorial and demographic analysis identifying: challenges, strengths, weaknesses, opportunities (in the specific area and in relation to the wider area) and a development strategy (indicative actions, measures, investments, operations).

Thirdly, it should establish a medium and long-term vision, that is, at least until 2020.

Fourthly, it must be composed of a system of interrelated actions that seek a lasting improvement in the economic, environmental, climate, social and demographic conditions of an urban area. Although actions financing by ESI Funds do not need to cover all these elements, the broader strategy should take into account all of the

<table>
<thead>
<tr>
<th>Region</th>
<th>Funding</th>
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<tbody>
<tr>
<td>Navarra</td>
<td>2,663</td>
</tr>
<tr>
<td>País Vasco</td>
<td>9,289</td>
</tr>
<tr>
<td>Madrid</td>
<td>33,891</td>
</tr>
<tr>
<td><strong>Subtotal more developed regions</strong></td>
<td><strong>422,061</strong></td>
</tr>
<tr>
<td><strong>Total Spain</strong></td>
<td><strong>1,012,755</strong></td>
</tr>
</tbody>
</table>
aspects listed above. While not mandatory, Member States should endeavor to use the ESF, in synergy with the ERDF, to support measures related to employment, education, social inclusion and institutional capacity, designed and implemented within the framework of the strategy.

Fifthly, since not all operations carried out in urban areas will be financed within the framework of sustainable urban development under Article 7 ERDF, the strategy should clearly refer and build on other major investments (including ESI-funded investments) occurring within the urban area concerned. By extension, any EU funded investment project should seek to take into account and link to the Article 7’s integrated urban strategy. The Commission recommends that coordination mechanisms be established between competent authorities to ensure synergy and coordination between investments, in particular those financed by the EU, in the urban territory concerned.

Sixthly, it must be consistent with the general development objectives of the region and the Member State.

Seventhly, it must be realistic in terms of implementation capacity and proportional to the amount of funding concerned.

Eighthly, the operations of the strategy financed by ESI Funds must be linked to the objectives of the programme from which the funds derive. If an ITI uses funding from several priority axes or programmes, a Member State may express the objectives of the ITI by means of additional performance indicators covering all the priorities or programmes contributing.

Finally, it should clearly demonstrate how local citizens, civil society and other levels of governance will be involved in implementing the strategy. Strategy creation must be a collective enterprise, as the co-production method increases the likelihood of an integrated approach and the chances of successful implementation. While it is accepted that the co-production method is challenging and requires additional effort, it will benefit the urban authority in the long term.
IV The EDUSIS in Aragón

As we have mentioned before, the centerpiece of Article 7 ERDF Regulation is the existence of integrated sustainable urban strategies. These must include interrelated actions aimed at achieving a lasting improvement in the economic, environmental, climatic, social and demographic conditions of an urban area. Operations financed by the ESI funds do not need to cover all of these elements, but the broader strategy must take into account all of the aspects listed.

In regards what is meant by 'interrelated' or 'interconnected', it means that actions should not be proposed and financed in a totally isolated manner, but should be developed in the context of a broader integrated strategy with the clear aim of creating a coherent and integrated response to the problems of the urban area concerned (deprived neighbourhood, city district, entire city, metropolitan area, etc.). While integrated actions are strongly encouraged, there is no requirement that an individual action itself is integrated.

So, the meaning of article 7 of the ERDF regulation, to which the POCS 2014-2020 also responds, is twofold. On the one hand, it implies that resources must be concentrated in an integrated manner to target areas with specific urban challenges.

It also means that, at the same time, urban development projects financed by ERDF should be integrated into the broader objectives of the programmes, so that EU Member States should make coordinated use of both the European Social Fund and the ERDF to support employment, education, social inclusion and institutional capacity measures designed and implemented within the framework of the integrated strategies.

At a practical level, the integrated strategy should weigh the interrelationship between actions by assessing synergy effects and the multiplier effect of their joint implementation. All the areas targeted in the sustainable urban development strategy and sectoral actions must be programmed, implemented and evaluated in accordance with their impact on the transformation of the urban area in the long term.

Now is the time to analyze the two EDUSIS approved in Aragon and see to what extent they meet the requirements of these urban strategies.
In order to contextualize the impact of EDUSI in ARAGON, some data should be highlighted. According to the latest information published by the “Instituto Aragonés de Estadística” (Aragonese Statistics Institute), of 1 January 2017, Aragón has an area of 47,720,25 km², 1,308,750 inhabitants and a local plant distributed in 731 municipalities. However, only 4 municipalities have more than 20,000 inhabitants, with a large concentration of population in the capital, which in fact exceeds 50 percent of the inhabitants registered in Aragon: 664,938 inhabitants. Of the other three most populous municipalities, only one has slightly more than 50,000 inhabitants (Huesca, with 52,223), while the other two cities are not even close to this figure: Teruel has 35,484 inhabitants and Calatayud 20,173. The problem of depopulation in Aragón is very serious and persistent. In fact, a large majority of municipalities (543) do not reach the figure of 500 inhabitants, and 199 of them do not have even 100 residents.
According to the criteria established in the call, only the four municipalities with more than 20,000 inhabitants: Zaragoza, Huesca, Teruel and Calatayud, were able to present an EDUSI. And, in fact, all of them presented their proposal for sustainable and integrated urban development in the first call. The amount reserved for this Autonomous Community was 8,888,000 euros and all of it was used up in the first call, with the selection of the Teruel (5,000,000 euros) and Calatayud (3,888,000 euros) projects.
Both projects have a similar structure, based on the requirements of this call for proposals. First of all, they have to be strategic, which means that in theory, it could not be a simple juxtaposition of different sectoral plans or isolated actions, but rather a truly comprehensive strategy that combines efforts and creates synergies between the different actions undertaken. They are intended to be transversal, true strategies that produce or at least promote cohesion and not merely the juxtaposition of partial and isolated projects.

In order for these beneficial effects to actually occur, it will be essential to ensure coordination between the public authorities involved in the implementation of policies with an impact on the city.

Of course, these strategies must be related to the development of the urban areas involved, and promote their economic, demographic, employment and other kinds of growth, in order to continue overcoming the crisis that has hit Europe in recent years.

As set out in POCS 2014-2020, Urban sustainability refers to the long-term and lasting improvement of the social, economic and environmental conditions of a unique urban area. Achieving this requires a coherent, balanced and long-term strategy, not just projects to address specific issues. Cities are fundamental to the model of sustainable development, especially in Spain. In our country there has been a real urban explosion in recent decades, accompanied by intense demographic growth.

a. The EDUSI of Teruel

The EDUSI in Teruel takes three major challenges as its starting point: 1) Promotion of the implementation and use of ICTs to convert Teruel into a Smart City, 2) Further development of strategies and measures for more sustainable urban mobility, energy efficiency and recovery of Teruel's cultural and natural heritage, and 3) Involvement of all social groups, especially the most disadvantaged, in achieving a greater degree of development of the city.

The three challenges, therefore, are fully in line with the objectives and basic lines that we have outlined above and which put Europe as a framework for this type of
intervention in the city. Each of these challenges is also discussed in detail throughout the document and analysed from an integrated perspective.

Once the three fundamental challenges have been established, the document analyses the city of Teruel from an integrated perspective: physical analysis, environment and climatic conditions, energy analysis, economy, employment and competitiveness, demographics, society, territorial context, competence framework, existing planning instruments and the risks of EDUSI's own implementation.

It then carries out a diagnosis of the city based on a SWOT (Strengths, Weaknesses, Opportunities and Threats) analysis, which establishes expected results and outcome indicators.

Once it has proceeded to analyze the situation of the city and establish what are the key points on which action is needed, EDUSI proceeds to delimit the scope of action, sets out the implementation plan of the Strategy, analyzes the way in which it is going to enhance citizen participation and social agents, gives the keys on administrative capacity to implement this strategy, identifies the horizontal principles and cross-cutting objectives and sets out the information and communication proposal for the Strategy.

In accordance with the above, Teruel's sustainable and integrated urban development strategy complies, as determined in its assessment, with the admissibility criteria established in Order HAD/2427/2015 which, as we have seen, approves the bases and the first call for the selection of Integrated Sustainable Urban Development strategies to be co-financed through the ERDF operational programme for sustainable growth 2014-2020.

More specifically, the proposal provides a breakdown of ten eligibility criteria: 1) the strategy clearly addresses the five urban challenges to be addressed in accordance with Article 7 of the ERDF Regulation, 2) a SWOT analysis has been carried out on the basis of the problems identified in the five challenges based on proven data and information, 3) the functional area is clearly defined and in accordance with the types of functional area defined in Annex 1 of the Order, 4) The strategy has been approved by the competent bodies of the respective local authorities, 5) mechanisms have been put in place to ensure the commitment of the urban authority by means of governance with
horizontal coordination between the local levels and vertical with the rest of the territorial Public Administrations, 6) the strategy includes action lines that can be included at least in the thematic objectives OT4 and OT9, 7) the strategy includes adequate financial planning, which clearly sets out the different sources of funding for the action lines and includes a time frame for operations, 8) the expected results of the strategy have been quantified using performance indicators, 9) the commitment to have a sufficient technical team with sufficient knowledge and expertise in national and Community legislation relating to European funds and sustainable urban development has been demonstrated; and 10) the Strategy has been drawn up taking into account the citizen participation of the main economic, social and institutional actors in the urban area.

b. The EDUSI of Calatayud

As it could not be otherwise, the structure of the Sustainable Development Strategy of Calatayud is similar to the one we have just presented on the EDUSI of Teruel.

After briefly presenting the background, the object, the agents involved in its elaboration, the methodology and the content of the document, the EDUSI of Calatayud begins with the mention of the previous strategic documents elaborated on Calatayud, the commitments adopted, the identification of its challenges and problems and the assets and resources present in the city, to finally expose its potentialities.

Following that, it presents an integrated analysis of the urban area, which includes the physical, environmental and climatic, energy, economic, demographic and social conditions, the territorial context, the territorial framework, the existing planning instruments, the risks and the history of the city from its origin in the Muslim period to its present situation.

In the same way as Teruel's EDUSI, after the integral analysis, a diagnosis of the situation of the urban area is carried out according to a SWOT model, and the essential challenges or strategic objectives and expected results are defined.

Once the challenges and expected results have been identified, the scope of action is defined and the implementation plan for the strategy is set out, which includes the lines
of action to be carried out for each of the specific objectives, the criteria and procedures for selecting operations in each of the lines of action, the timetable, the budget and budget structure, the management costs and the sources of funding.

Another relevant point is the participation of citizens and social agents, which establishes its incorporation in the process and design of EDUSI, the plan for communication, dissemination and promotion of the strategy and the list of institutions, organizations and public, private and civic entities convened in the preparation of the strategy. Administrative capacity to implement the strategy is also justified, both in terms of financial resources and the creation of a monitoring and management structure.

It then explains how Calatayud's EDUSI contributes to horizontal principles (principle of equality between men and women and non-discrimination on the basis of sex, race, religion, disability, age, etc., and sustainable development), and to the cross-cutting objectives of the SOCP 2014-2020 (accessibility, demographic change, mitigation and adaptation to climate change), as well as the integration of horizontal principles with cross-cutting objectives.

The last sections of the proposal are dedicated to explaining the adequacy of the strategy and its lines of action with the thematic objectives of the POCS, and to justify the relationship between the implementation plan and the weight of operations by thematic objective of the POCS.

V Conclusions

After analysing the sustainable and integrated development strategy and its implementation in Aragon, we have come to a series of conclusions.

It is a new tool that articulates the obtaining of financing to carry out reform or development operations in cities. However, the EDUSI approach is, as its name suggests, integrated. Perhaps this is precisely the main and most relevant aspect of this new way of doing, or rather, regenerating the city. The integrated vision of urbanism makes it essential to face the challenges of cities from a perspective that not
only takes into account the state of conservation of buildings or the quantity and quality of basic urban services, but at the same time, it is essential to include interlinked actions aimed at achieving a lasting improvement in the economic, environmental, climatic, social and demographic conditions of an urban area.

However, the short time that has elapsed since the first calls for this new form of co-financing by the European Union makes it impossible to determine whether its effects will be more or less beneficial than those of previous co-financing programmes.

One of the negative aspects is the low level of funding for this objective and the constraints on access to such funding. We have already seen that in Aragón only 4 of the 731 municipalities were able to submit proposals and of these 4, only 2 (Teruel and Calatayud) have obtained cofinancing for their strategies.

It is now necessary to carry out the phase of preparing and approving the specific actions that, in accordance with the framework established in EDUSIS, will be undertaken. It is only after its implementation in the coming years that we will be able to determine precisely and appropriately whether this new strategy has had the expected effect and whether we have achieved cities that are developing in a sustainable and integrated way.

VI Bibliography